

## SUMMARY AND OVERVIEW

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### EXECUTIVE SUMMARY

The FY2003 Annual Operating Plan allocates \$826.3 million of city revenues to provide for the delivery of a wide array of government services. The proposed allocation represents the effort to continue delivery of a high quality level of citizen services while recognizing and dealing with the realities of fixed costs imposed by ordinances and contracts, operating cost increases mandated by state law, as well as increased needs for services in certain areas. The environment in which the FY2003 Annual Operating Plan proposal was drafted differed significantly from that of recent years in that the Plan had to accommodate the effects of a general slowing of the national and local economy. Added to the economic slowdown is the lasting impact of terror attacks on the United States which have required all levels of government to place additional emphasis on providing security for both persons and property. As a direct result of these two events, the City of St. Louis will collect less revenue than originally expected and will continue to face increased costs associated with these security issues.

Funds available to allocate in support of the Plan include grants from federal and state agencies, user fees, and locally generated tax revenues. In the FY2003 Plan, locally generated tax revenues will be augmented by the addition of revenues from a Use Tax approved by voters in the current fiscal year. The addition of revenues from the Use Tax will allow the City to avoid the elimination of some health care services and will also provide funds for expansion of certain other programs, both in health care and in the provision and maintenance of affordable housing. New revenues are anticipated from a proposal to assess increased fees on cases adjudicated in the municipal courts. The Plan also calls for appropriating surplus amounts that have accumulated in the general and some special funds, along with shifting of some costs from the general fund to appropriate special funds.

Areas where the operational costs are significantly higher than in the current year are Public Safety, Courts, Corrections, and Health Care. All city agency budgets incorporate the impact of increased contributions to the Employee Retirement

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System, the amount of which while less than the actuary's recommendation, was calculated to protect the financial integrity of the System.

Total funding for other city agencies is about even with the current year, effectively forcing these agencies to absorb all fixed and inflationary increases. To maintain the ability to continue the delivery of an acceptable level of citizen services proposed staff reductions are directed primarily at positions involved in administrative functions, in lieu of those involved in direct service delivery. The Plan also proposes consolidation of some services, interdepartmental cooperation to produce efficiencies, and more extensive use of private contractors to provide services such as monitoring of information systems and enhanced building security.

The total budget for FY2003 is \$826.3 million, and is funded by a combination of local tax revenues, dedicated funds for enterprise operations, and project specific grants. These amounts are further broken down by departmental activities using specific projects and accounts, with distinctions being made between operating funds and capital expenditures.

## **GENERAL FUND OPERATIONS**

The City's general fund budget supports those recurring activities necessary for the operation of city government and is funded by a combination of revenues derived from taxes, fees, fines, and intergovernmental transfers. At \$415.2 million, the general fund proposal for FY2003 is the largest of the city funding units. In keeping with the City's stated priorities, this fund allocates \$221.1 million for public safety functions, including \$128.0 million for police services. The remaining public safety allocation from the general fund provides for fire protection, pre-trial inmate housing, emergency medical services, and various permitting and inspection activities. The general fund proposal also dedicates funds for the city's neighborhood stabilization efforts through allocations for solid waste collection and disposal as well as for maintenance of streets, alleys, and parks in the amount of \$50.6 million. Debt service payments for large projects funded through lease arrangements are included in the general fund allocation in the amount of \$23.7 million which funds annual lease payments on the Justice Center,

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Kiel Center, Civil Courthouse, and the Convention Center/ Stadium complex. Funding for state and municipal court functions and county offices account for an additional \$49.0 million. The remainder of the general fund budget can be categorized as paying for maintenance and operations of buildings, health care services and administrative functions.

### **ENTERPRISE FUND OPERATIONS**

The Water Division and the Airport are the city's two enterprise funds. Allocations for these departments are included in the FY2003 proposal at \$46.9 million and \$164.8 million, respectively. The Water Division receives its income from the sale of water to residents of the City and recently from the sale of water to other municipalities in the metropolitan area. Approximately 9% of the Water Division's budget or \$4.1 million is devoted to retirement of revenue bonds issued for capital improvements to the divisions two treatment facilities and an upgrade of the supporting infrastructure. With a proposed budget of \$164.8 million, the Airport is the city's largest cost center and is supported entirely by user fees paid by

airlines and concessionaires, along with federal funds. Approximately 40% of the proposed airport budget is devoted to debt service payments on revenue bonds for Airport expansion and to facilitate repair and maintenance of the runways and terminals. The Airport budget also reflects increased security costs as functions performed by the National Guard are being assumed by Airport personnel. The remaining budget amounts provide for the administration and daily operations of both the Airport and Water Division.

### **FEDERAL AND STATE GRANTS**

Grant funds secured from agencies at both the State and Federal level are included in the proposed plan in the amount of \$59.2 million, a 6% decrease from the current year level. The largest portion of these dollars are used to augment locally funded social service programs and are allocated through the Department of Health and the Department of Human Services. Necessary services are delivered by the City either directly or by contract. In FY2003, \$30.2 million in grant funds will be allocated for use by these two departments. Public safety and neighborhood

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stabilization issues are addressed with miscellaneous project specific grants administered by the Police Department and the Local Law Enforcement Block Grant. Grants for this category total \$13.2 million in FY2003. The remaining grant funds supplement the city's efforts in the provision of job training services through the St. Louis Agency for Training and Employment and with providing administrative support for the Law Department and the Community Development Agency.

### **CAPITAL IMPROVEMENTS**

The budget allocates \$40.0 million in funds dedicated to equipment purchases and capital improvements. The sources include a dedicated sales tax, general fund appropriations, gaming admissions receipts, special projects grants and interest earnings on invested funds. Projects funded include replacement of rolling stock, infrastructure improvements to bridges, streets, and buildings, as well as debt service on previously approved projects such as the Justice Center and Civil Courts Building.

### **OTHER SPECIAL REVENUE FUNDS**

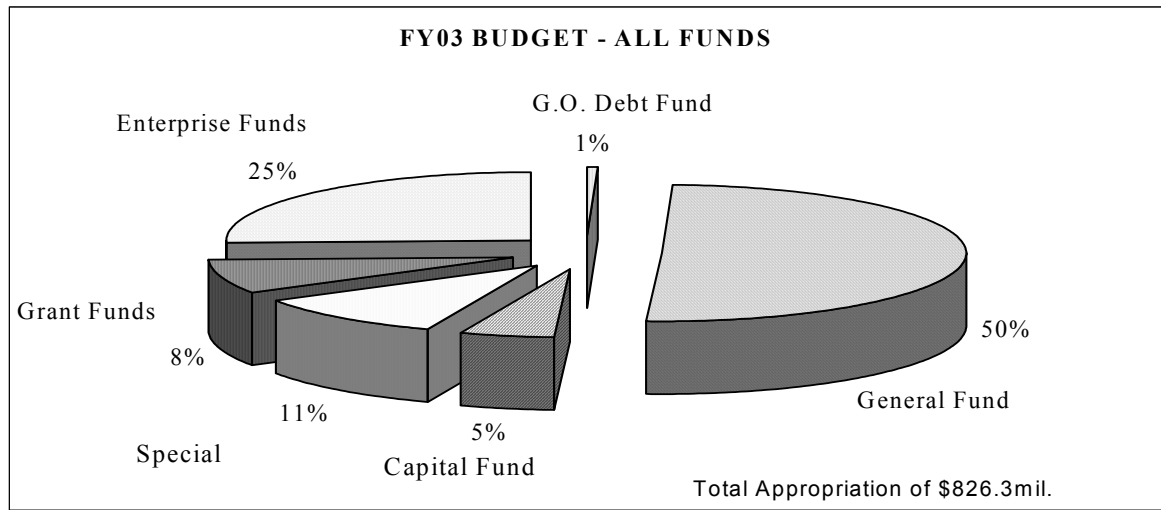
The remaining allocations in the budget are through special funds, the revenues from which are legally required to be accounted for separately from the general fund. This category includes \$20.0 million expected in FY 2003 from the Local Use Tax which is allocated to health care and the provision of affordable housing and \$6.8 million from gaming operations which is used for capital improvements and enhancing the safety of the public visiting the riverfront. Other functions for which special revenue funds are allocated in this proposal include maintenance of improvements in Forest Park, demolition of condemned buildings, and repair of sewer lines.

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The graph below illustrates the total budget distributed among fund groups. The following

page presents a summary of highlights of the FY2003 Annual Operating Plan



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### Highlights of the FY2003 Operating Plan

- Cost of living pay increases for firefighters and employees of the Police Department amounting to \$5.0 million
- \$2.0 million for cost of living pay increases for other City employees
- Employee health insurance cost increases of \$2.4 mil in the Police Dept. and \$1.1 mil. for other City departments
- Contribution to Employee Retirement system of 8.8% of payroll amounting to \$17.4 million.
- Addition of 58 Commissioned Police officers using local and grant funds
- Increase of \$1.3 mil. in Election Board costs due to multiple elections in fiscal year
- Increase of \$4.0 million to enhance Airport Security
- Increase of \$5.0 mil. from local use tax revenues to fund ConectCare subsidy for uninsured and underinsured citizen health care
- Additional \$12.6 million in use tax revenues allocated for Health Dept. program funding and Affordable Housing program initiatives
- Transfer of Vital Records functions from Health Division to Recorder of Deeds
- Increase of \$30.1 million in debt retirement funds to finance continued Airport expansion
- Increase in contractual services providing security at City buildings
- Increase of \$7.5 mil. for Division of Corrections' anticipated opening of the Justice Center in October, 2002
- Increase of \$150,000 in public safety gaming revenues allocated to the Police Department for enhanced presence on the riverfront.
- Restructuring of Parks horticulture program to emphasize more volunteer efforts and use of perennial plantings
- Shift of air Pollution Control from Dept. of Public Safety to Dept. of Health & Hospitals
- Net increase of 251 budgeted positions in all funds

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The FY2003 Annual Operating Plan includes funds for scheduled debt service obligations on several large projects initiated in previous fiscal years. These include the Justice Center, Kiel Center, and the Convention Center and Stadium Complex, as well as debt retirement payments on a lease purchase of rolling stock and a general obligation bond issue that provided for the replacement of firefighting equipment along with other public safety improvements. Projects developed using Tax Increment Financing, with loan repayments generated by the project are also included in the budget proposal.

Social Service initiatives funded in this budget are found in the Department of Health & Hospitals and the Department of Human Services. These funds whether generated locally or as the result of federal or state grants, have been distributed in a manner which seeks to ensure that these services are available to all who are in need. Health and Human Services program spending is supported by \$16.9 million in local funds and \$29.8 million in federal and state grants. Seventy-five percent or \$12.6 million of local

funds allocated to these social service initiatives result from passage of the local use tax. Allocations for Public Safety functions are designed to maintain current staffing levels for Fire and Emergency Medical Services and to increase the number of police officers by 58 with the use of local and federal dollars. The FY2003 plan allocates additional funds through the Capital Budget for major street and bridge projects while the general fund budget maintains residential street maintenance and street sweeping schedules. In the Department of Parks, Recreation and Forestry, funding for park maintenance activities is retained at the current year's level, and recreation programming will continue to be offered at the existing ten centers located throughout the City.

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### **SUMMARY**

In summary, the total budget appropriation for FY2003 is \$826.3 million. Over 50%, or \$415.2 million, is appropriated from general revenue to pay for day-to-day City operations. City general funds are supplemented by approximately \$60 million in grants from State and Federal Sources. The remainder of the budget comes from a variety of special and enterprise funds maintained by the City in compliance with specific ordinances or agreements. The allocation of these funds is designed to make the City of St. Louis a more desirable place to live, work and do business. The allocation also reflects the City administration's goal of providing an effective and responsive City government as well as one that can deliver a wide range of recreational, entertaining, and cultural experiences. The service enhancements and infrastructure improvements funded in this plan will promote growth in future economic activity, which will in turn produce tangible results in jobs and fiscal stability.



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### GENERAL FUND OVERVIEW

#### Sources of Funds

The operating revenues available for appropriation for general fund obligations will rise in FY2003 by 3.2% over the revised FY2001 estimate to \$406.8 million. Nearly 50% of the increased revenue results from steady growth in the Earnings and Payroll taxes, emphasizing the importance to the City of retaining existing jobs, as well as encouraging job creation. These two taxes will account for \$163.4 million or 40% of all general fund revenue in FY2003. Property tax revenues are forecast to increase by 2.7% reflecting increased assessed value of both real estate and personal property. General sales tax revenues are forecast to grow at slightly less than 2.5% after a reduction in the base revenues in the current year. Intergovernmental revenues will be slightly higher resulting from an increase in the reimbursement for Juvenile Court operations and pre-trial inmate housing. These increases effectively offset decreases in gasoline and motor vehicle sales tax revenues brought on by application of new census numbers.

Franchise and Utility tax revenue is expected to be up by approximately \$1.0 million based on a seasonal weather pattern. Growth in gross receipts tax payments by the Airport is limited to the change in CPI. Revenues from other franchise taxpayers are expected to remain relatively flat. Fees for licenses and permits will increase by 3.5% overall with the greatest impact coming from those licenses that are gross receipts based rather than unit based. The gross receipts category includes sports admissions, parking garages, restaurants, and hotels.

In addition to the increase in operating revenues, the general fund will benefit from the transfer-in of one-time revenues equal to \$8.4 million. This sum includes \$4.0 million representing the general fund balance amount that is in excess of the City's 5% goal. The remaining one-time transfers include \$1.5 million from the FY2002 Use Tax collections, \$1.4 million from Port Authority revenues, \$1.2 million expected from a debt refinancing and close out of the Justice Center Parking Lot account.

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### Uses of Funds

The FY2003 Annual Operating Plan includes a General Fund budget that seeks to provide for continued and enhanced neighborhood stabilization and an allocation scheme designed to ensure that City departments charged with service delivery are provided with the necessary resources to fulfill their missions. Major highlights that differentiate this year's plan from that of last year have been identified in a previous table. These include the allocation of funds sufficient to meet the City's debt service requirements, as well as other contractual obligations. Personnel costs represent 72% of the general fund budget and include the impact of cost-of-living adjustments granted to employees as well as other benefit increases. The plan also reflects a commitment of funds to enhance the perception of safety by increasing the number of commissioned police officers in the City.

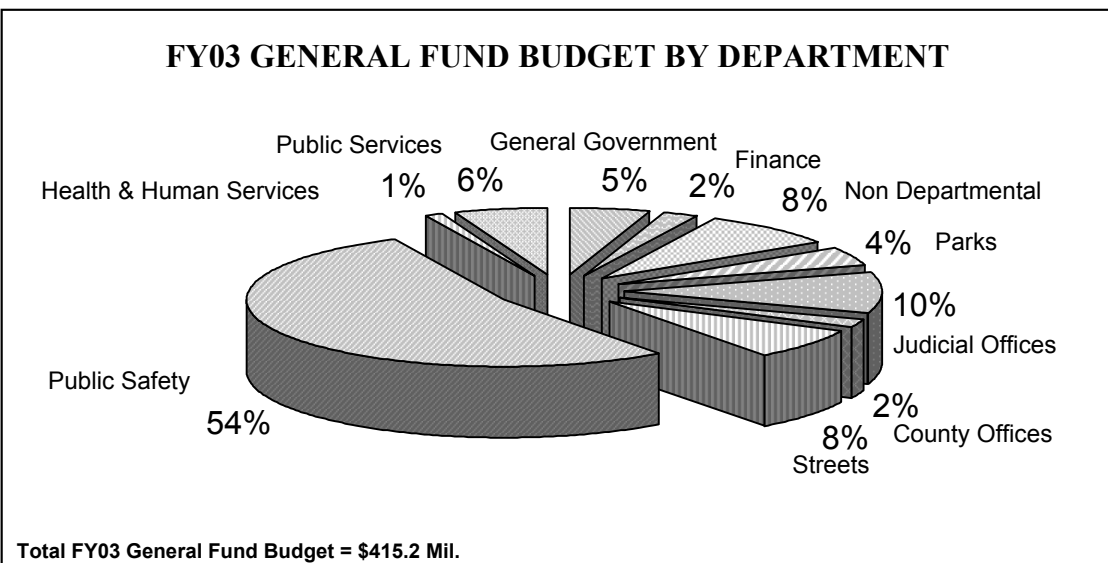
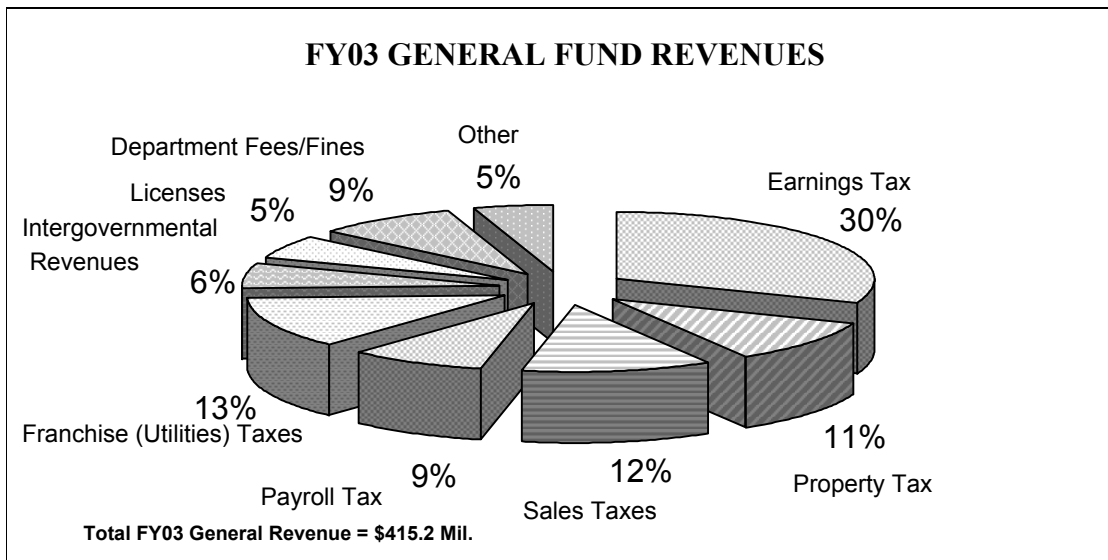
Operationally, the City will continue to contractually provide for housing for prisoners pending opening of the Justice Center, scheduled for October, 2002 and will assume maintenance costs of the Carnahan Courthouse.

The general fund budget as proposed is in balance with available revenues. However, a balanced budget in FY2003 includes the use of non-recurring revenues such as funds that have built up over a period of years and use of funds that are in excess of the City's established reserve amount. Where possible, one-time revenues in this budget were intentionally linked to capital improvement projects in order to provide flexibility in the development of future budgets

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The following charts illustrate the sources and uses of funds



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### Projected Operating Results

Based on the expected operating revenue and the proposed appropriations previously identified, the operating revenues will approximately match the proposed budget

The table below shows the expected results from operations in FY2003.

Estimated Revenue	\$415,200,000
General Fund Appropriations	<u>415,195,843</u>
Results from operations	\$ <u><u>4,157</u></u>

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### CAPITAL IMPROVEMENTS

The City of St. Louis Capital Committee has developed a five-year Capital Improvements Plan containing projects that have an estimated cost of \$400 million. These projects will be funded through a combination of local, state and federal funds. Over the five year period, an estimated \$191 million will be appropriated for cash payments and debt service requirements, and in some cases the local matching share for road and bridge repair projects and major flood protection projects. The FY2003 Capital Budget funds the first year of the plan with a recommended appropriation of \$40.1 million. Sales taxes for capital improvement will generate \$18.8 million in FY2003 or approximately 47% of the total revenue. Other revenues supporting the capital budget include \$3.8 million from the general fund, \$5.4 million from projected gaming revenues, \$2.5 million in special project grants, \$1.5 million from gasoline tax revenue, \$6.0 in reappropriated funds, and \$2.1 million from various other sources.

Capital expenses planned for FY2003 include those for projects designed to further the City's goal of stabilizing neighborhoods as

well as increasing the efficiency of service delivery through replacement of vital equipment required to deliver those services. Also included are funds necessary to comply with federal mandates regarding environmental hazards such as lead and asbestos abatement, and treatment of former underground tank sites. In accord with established policy, the plan proposes maximum funding of approved road and bridge projects that are 80% federally funded. The major categories of planned capital expenses are presented below:

#### **Ward Improvements - \$8.8 million**

Each of the City's 28 wards will be allocated \$313,600 for projects such as neighborhood park improvements, street resurfacing, street lighting enhancements, and refuse container replacement. Actual projects will be determined by the ward alderman subject to approval by the Board of Estimate and Apportionment.

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**Major Parks and Recreation Centers** – \$7.3 million: The City’s six major parks, Forest, Tower Grove, Carondelet, Fairgrounds, O’Fallon, and Willmore will share \$5.0 million. Planned projects include roadway repairs, skating rink renovations, and improvements to tennis courts. A total of \$2.3 million will be expended on recreation centers for projects such as swimming pool repairs, air conditioning, and building modifications to comply with ADA standards, as well as initial federal funding for a new recreation center.

**Facility Improvements** - \$14.6 million: Funds categorized as being for facility improvements will service previously incurred debt on the Justice Center and the Civil Courts Building. In addition, improvements are planned for several other city facilities including Municipal Garage, City Hall, Civil Courts Plaza, and the newly acquired federal courthouse.

**Equipment Replacement** - \$2.1 million: Planned expenditures include replacement of rolling stock necessary to the refuse collection and street cleaning operations along with other vehicle replacements. A five-year lease purchase will be used for a replacement of

rolling stock at \$2.1 million annually. Replacement and upgrading of computer and communication equipment is authorized using the existing credit line up to \$2.0 million.

**Bridge & Street Improvements** - \$6.4 million: Twenty bridge and street improvement projects are funded in conjunction with the federal ISTEA program. The City’s share of those projects averages 20% of the total cost. This category also includes funds for unforeseen bridge repairs, which are not eligible for the federal cost sharing arrangement, as well as any planned arterial street resurfacing.

## BUDGET FORMAT

The remainder of this budget document is divided into the following sections:

**Budget Overview:** This section provides a more detailed discussion of the City’s projected revenues and expenditures. The discussion includes an overall economic outlook for the City and includes summary tables illustrating projected revenues and appropriations for all funds.

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**Department and Program Budgets** This section is divided by major City departments.

Each department begins with a summary of budget statistics and is followed by division and program budgets within each department. The division and program budgets are presented in a format that contains narrative information about respective programs and identifies outputs and projected performance levels.

**Capital Improvements:** The City's FY2003 Capital Budget and Capital Improvement Plan are presented in this section. A detailed discussion of the five-year plan and description for each capital project are being submitted under a separate cover.

**Appendix:** The appendix includes supplemental information about the City and its budget including debt issues, the budget process, trends in personnel, etc.

## BUDGET OVERVIEW

This section presents summary information on the FY2003 Annual Operating Plan for the City of St. Louis. The discussion that follows describes the economic outlook for the City and region in the context of both

the national and state perspective, and presents a comprehensive review of the general operating fund budget, as well as for enterprise and special revenue funds. Also presented in this section are summary tables of sources and uses of funds for all fund groups and descriptions of the major sources of revenue for FY2003.

## ECONOMIC OUTLOOK

### U.S. Economy and Outlook

After ten consecutive years of real growth as measured by real Gross Domestic Product (GDP), the U. S. economy fell into recession in 2001. Following a growth rate of 4.1% in calendar 2000, real GDP growth in 2001 dropped to 1.0%. With the weakening of the economy, the national unemployment rate is expected to rise to near 6% in 2002, up from 5% in 2001. The consensus of many leading forecasters is that the current recession will be relatively brief, with real GDP growth resuming in 2002. In summary, the U.S. economy is under strain, but improvement over the next 18 months seems probable.

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### Missouri Economy and Outlook

As was the case with the national economy, the Missouri economy began to weaken during the first half of 2001 and subsequently was further hurt by the September 11 events. In one year the Missouri seasonally adjusted unemployment rate rose by one percentage point, from 3.7% to 4.7%. One effect of this has been a lowering in the rate of growth in Missouri personal income. After growing by 4.4 % and 6.0% in fiscal years 2000 and 2001, respectively, growth of only 3.2% is expected in fiscal year 2002. In addition to the weakness seen in these statistics, the Missouri Purchasing Managers Index, which is used to predict the direction of the state economy, has been stagnant for practically all of 2001, implying a sluggish economy for the next three to six months. While the state's economy is under strain, it remains diverse with strong presence in health care services, agriculture, and the travel and leisure industry.

As the U.S. economy rebounds, growth in the Missouri economy will likely resume.

### St. Louis Economic Outlook

The City of St. Louis is the core of an eleven county metropolitan area covering parts of both Missouri and Illinois, and as such is the employment and entertainment center of an area containing a population of 2.6 million residents. It is also the office center of the region with 24 million square feet of office space, with an average occupancy rate of 77%. The metropolitan area and the City are major industrial centers in the Eastern Missouri-southwestern-Illinois area with a broad range of industries. According to information supplied by the Missouri Department of Labor and Industrial Relations there are approximately 1.3 million non-agricultural jobs in the metropolitan area with 60,000 new jobs having been created in the past 5 years. Although the distribution of jobs across industry sectors has resulted in a decline in the City's share of jobs in the metropolitan area, the City remains a significant source of jobs in the region with nearly 20% of all the jobs. Job growth in the City has been concentrated in the service sector and the expectation is that long term employment growth in the City will be in the



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areas of medical and business services, as well as the convention and tourism business.

Following the national trend, medical service providers in the St. Louis area have merged. One of the resulting corporations, Barnes-Jewish Medical Center, which has its headquarters in the City, has nearly completed work on a \$350 million campus integration plan to include in-patient acute care, ambulatory care and a cancer treatment center. According to the Regional Commerce and Growth Association (RCGA), this project once completed will inject an estimated \$428 million into the local economy and provide employment for more than 4,700 employees, creating income of approximately \$145.6 million annually. Development of The Forest Park Highlands site situated in the heart of the City directly across from historic Forest Park is currently underway. The initial phase has been completed and includes prime office space, restaurants, and shops to service both campus workers and park visitors, and a Forest Park Visitor's Center as a cultural anchor. The final development will complement rather than compete with Downtown St. Louis by targeting firms that would otherwise locate in outlying suburban

areas. It is anticipated that once fully occupied, the office campus and surrounding venues will have added hundreds of jobs to the City's tax rolls as well as increasing the assessed value of property in the City.

The metropolitan area's major industries include aviation, biotechnology, chemicals, electrical utilities, telecommunications, and transportation. The Regional Commerce and Growth Association (RCGA) has implemented an economic development campaign to generate 100,000 new jobs in the region by the end of 2004.

Through the provision of city services, maintenance of infrastructure and promotion of tourism and business development, the City will be assured of its continuing role as the region's economic center.

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### FY2003 OPERATING PLAN

#### FUND GROUPS

The total appropriation for the City of St. Louis for FY2003 totals \$826.3 million. In addition to this appropriation, there are funds such as the Community Development Block grant and the Street Improvement funds among others that are appropriated separately.

The following is a brief description of the major funds subject to appropriation followed by tables illustrating recent revenue and expenditure history as well as projected performance in FY2003.

##### **General Fund**

The General Fund is the general operating fund of the City and accounts for all financial transactions not required to be accounted for in another fund. General Fund expenditures account for about one-half of all City expenditures. As the general operating fund, general fund revenues pay for the majority of services delivered to and paid for by citizens. These include administrative costs as well as more visible services such as police and fire protection, emergency and other medical services and maintenance of parks and streets.

#### **Special Revenue Funds**

Special Revenue Funds are used to account for proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. Funds contained in this category include, government grants, the convention and tourism fund, gaming fund, assessment fund, lateral sewer fund, capital funds, tax increment financing funds, transportation fund and other miscellaneous special funds. The debt service fund is used to account for resources and

expenses related to the City's general obligation (property tax supported) debt and is also included as a special fund. Two other funds are included in this group for illustrative convenience. The City's mail room service operates as an internal service fund in that it provides mail service to departments on a reimbursement basis. The employee benefits fund is an agency fund in that it administers expenditures for the City's various health plans funded by appropriations from other City funds as well as contributions from City

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employees.

### **Enterprise Funds**

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The enterprise funds in the operating plan are the Water Division and Airport operations. The Parking Meter Division is also operated as an enterprise fund and is separately appropriated

Detailed descriptions of funds within each of these fund groups can be found in the glossary in the Appendix of these documents.

The tables on the following pages contain summary budget information for all funds. A more detailed discussion of the general fund budget and descriptions of trends in major sources of revenue follow.

**FY03 REVENUE SUMMARY - ALL FUNDS**  
(in millions)

	FY01 Actual	FY02 Revised	FY03 Budget	Percent Change FY02-03
<b>General Fund</b>				
Earnings Tax	\$122.6	\$123.3	\$127.5	3.4%
Property Tax	39.8	42.7	43.8	2.8%
Sales Tax	49.8	48.7	49.9	2.5%
Payroll Tax	34.7	34.1	35.9	5.1%
Franchise (Utilities) Taxes	57.2	51.4	52.4	2.1%
Other Taxes	2.0	2.0	2.2	7.5%
License Fees	21.1	22.1	22.4	1.5%
Grants & Intergovernmental Revenues	25.3	24.1	25.5	6.0%
Department User Fees and Fines	32.0	33.9	36.5	7.5%
Transfers	11.7	12.0	15.2	26.3%
Fund Balance (in excess of 5%)	0.0	0.0	4.0	n/a
	<u>\$396.2</u>	<u>\$394.2</u>	<u>\$415.2</u>	<u>5.3%</u>
<b>Special Revenue Funds</b>				
Property Tax	\$10.8	\$6.8	\$6.8	0.0%
Franchise (Utilities) Taxes	4.4	4.4	5.1	16.3%
Local Use Tax	0.0	18.0	20.0	11.1%
Other Taxes	12.5	11.3	11.0	-3.0%
Grants & Intergovernmental Revenues	55.5	71.1	69.4	-2.4%
Department User Fees and Fines	39.8	36.7	41.9	14.1%
Transfers	2.8	1.8	1.9	7.2%
Fund Balances and Other Resources	6.4	3.1	2.9	-7.9%
	<u>\$132.1</u>	<u>\$153.2</u>	<u>\$159.0</u>	<u>3.8%</u>
<b>Capital Improvements Funds</b>				
1/2 Cent Sales Tax	\$18.1	\$17.7	\$18.1	2.5%
Metro Parks Sales Tax	0.0	2.3	1.2	-48.3%
Department User Fees and Fines	0.0	0.0	1.7	n/a
Grants & Intergovernmental Revenues	1.8	2.7	4.0	49.1%
Transfers	14.9	10.5	9.2	-11.7%
Other Resources	1.3	0.8	0.4	-57.6%
Previous Year General Fund Surplus	1.1	5.3	6.1	15.2%
	<u>\$37.0</u>	<u>\$39.3</u>	<u>\$40.7</u>	<u>3.5%</u>
<b>Enterprise Funds</b>				
Franchise (Utilities) Taxes	\$3.9	\$4.0	\$4.0	0.0%
Enterprise Revenues	170.6	202.3	209.4	3.5%
	<u>\$174.5</u>	<u>\$206.3</u>	<u>\$213.4</u>	<u>3.4%</u>
<b>Total General Appropriation</b>	<u><u>\$739.8</u></u>	<u><u>\$793.0</u></u>	<u><u>\$828.2</u></u>	<u><u>4.4%</u></u>
<b>Funds Appropriated Separately</b>				
Community Development (CDBG) & Housing Grants *	\$97.3	\$30.5	\$30.9	1.2%
Street Improvement Fund	4.4	5.2	4.2	-19.3%
Parking Division Revenues	13.5	10.8	10.8	-0.2%
Transportation Fund Revenues	27.4	25.7	31.0	20.6%
* excluding admin. appropriated above	<u>\$142.6</u>	<u>\$72.2</u>	<u>\$76.8</u>	<u>6.4%</u>
<b>Total All Sources</b>	<u><u>\$882.5</u></u>	<u><u>\$865.2</u></u>	<u><u>\$905.0</u></u>	<u><u>4.6%</u></u>

**FY03 BUDGET SUMMARY - ALL FUNDS**  
(in millions)

Fund	FY01 Actual	FY02 Budget	FY03 Budget	Percent Change FY02-03
<b>General Fund</b>	\$386.4	\$403.3	\$415.2	2.9%
<b>Special Revenue Funds</b>				
Debt Service Fund	\$5.7	\$5.7	\$5.7	0.1%
Capital Fund	\$35.9	\$40.3	\$40.7	1.0%
Assessment Fund	\$3.6	\$3.7	\$4.0	7.4%
Employee Benefits Fund	\$24.4	\$28.2	\$31.6	12.2%
Convention and Tourism Fund	\$4.0	\$4.3	\$4.1	-5.2%
Lateral Sewer Fund	\$3.2	\$3.7	\$3.6	-3.9%
Cable Communications Fund	\$1.4	\$1.4	\$1.8	27.6%
Port Authority	\$2.2	\$3.7	\$4.7	25.1%
Riverfront Gaming Fund	\$3.1	\$4.7	\$6.8	44.8%
Convention and Sport Facility Trust Fund	\$4.7	\$5.0	\$5.5	10.0%
Health Care Trust Fund	\$5.0	\$1.0	\$16.1	1507.9%
Other Special Revenue Funds	\$15.5	\$11.3	\$13.2	17.4%
	\$108.6	\$113.0	\$137.7	21.9%
<b>Grant Funds</b>				
St. Louis Agency on Training and Employment	\$11.1	\$12.1	\$8.8	-27.6%
Community Dev. Planning & Administration	\$3.8	\$5.6	\$6.3	12.6%
Health and Human Services	\$23.0	\$33.7	\$30.7	-8.9%
Police Department	\$3.7	\$5.4	\$10.2	88.8%
Other Grants	\$7.1	\$8.2	\$5.8	-29.4%
	\$48.8	\$65.0	\$61.8	-5.0%
<b>Enterprise Funds</b>				
Water Division	\$39.2	\$45.8	\$46.9	2.2%
Airport Authority	\$119.5	\$125.9	\$164.8	30.9%
	\$158.7	\$171.7	\$211.6	23.2%
<b>Total General Appropriation</b>	<b>\$702.4</b>	<b>\$753.1</b>	<b>\$826.3</b>	<b>9.7%</b>
<b>Separate Appropriations <sup>1</sup></b>				
Community Development (Net Planning/Adm.)	\$34.3	\$30.6	\$30.7	0.4%
Street Improvement Fund	\$4.7	\$4.7	\$5.0	6.4%
Parking Division Funds	\$8.8	\$10.8	\$10.8	0.3%
Transportation Trust Funds	\$30.3	\$31.8	\$20.2	-36.5%
	\$78.1	\$77.9	\$66.8	-14.3%
<b>Total Appropriations</b>	<b>\$780.4</b>	<b>\$831.0</b>	<b>\$893.1</b>	<b>7.5%</b>

<sup>1</sup> CDBG & housing grants and Street Improvement funds appropriations are for calendar years 2000, 2001, and 2002 and are appropriated separately. Spending for any one grant year appropriation may occur over a period of several years.

**FY03 BUDGET - ALL FUNDS  
BY DEPARTMENT**

Department		General Fund	Special Funds Revenue	Special Funds Grant	Enterprise Funds	Total Funds
<b>GENERAL GOVERNMENT</b>						
110	Board of Aldermen	2,320,508	-	0	-	2,320,508
120	Mayor's Office	2,262,226	-	55,000	-	2,317,226
121	St. Louis Agency on Training and Emp.	-	-	8,772,053	-	8,772,053
123	Department of Personnel	3,162,893	-	-	-	34,810,078
	Employee Benefits Fund	-	31,647,185	-	-	-
124	Register	148,446	-	-	-	148,446
126	Civil Rights Enforcement Agency	452,244	-	61,085	-	513,329
137	Budget Division	5,985,293	200,000	-	-	6,185,293
139	City Counselor	6,017,514	-	676,338	-	6,693,852
141	Planing and Urban Design	-	-	2,170,111	-	2,170,111
142	Community Development Administration	-	-	3,057,171	-	3,057,171
143	Affordable Housing Commission	-	2,238,139	-	-	2,238,139
	<b>Subtotal</b>	<b>20,349,124</b>	<b>34,085,324</b>	<b>14,791,758</b>	<b>-</b>	<b>69,226,206</b>
<b>FINANCE</b>						
160	Comptroller	7,872,310	-	-	-	11,094,210
	Lateral Sewer Fund	-	55,283	-	-	-
	Columbia Bottoms	-	-	-	-	-
	Tax Increment Financings	-	1,943,717	-	-	-
	Trustee Lease Fund	-	1,052,000	-	-	-
	Grant and Other Funds	-	170,900	-	-	-
162	Municipal Garage	259,883	-	-	-	259,883
163	Microfilm	315,564	-	-	-	315,564
170	Supply Commissioner	598,431	-	-	-	598,431
171	Multigraph	1,183,436	-	-	-	1,183,436
172	Mail Room	-	871,123	-	-	871,123
180	Assessor	-	4,019,438	-	-	4,019,438
	<b>Subtotal</b>	<b>10,229,624</b>	<b>8,112,461</b>	<b>-</b>	<b>-</b>	<b>18,342,085</b>
<b>NON-DEPARTMENTAL</b>						
190	City Wide Accounts	35,318,721	-	-	-	45,488,721
	Convention and Tourism Fund	-	4,075,000	-	-	-
	Riverfront Gaming Fund	-	6,095,000	-	-	-
	<b>Subtotal</b>	<b>35,318,721</b>	<b>10,170,000</b>	<b>-</b>	<b>-</b>	<b>45,488,721</b>
<b>PARKS, RECREATION &amp; FORESTRY</b>						
210	Director, Parks, Recreation and Forestry	384,130	-	210,000	-	594,130
213	Division of Recreation	2,227,141	-	-	-	2,227,141
214	Division of Forestry	6,583,637	-	-	-	6,583,637
220	Division of Parks	8,737,037	-	-	-	8,737,037
250	Tower Grove Park	700,000	-	-	-	700,000
	<b>Subtotal</b>	<b>18,631,945</b>	<b>-</b>	<b>210,000</b>	<b>-</b>	<b>18,841,945</b>
<b>JUDICIAL OFFICES</b>						
310	Circuit Clerk	941,991	-	-	-	941,991
311	Circuit Court	7,576,574	-	-	-	7,576,574
312	Circuit Attorney	5,603,814	2,078,811	205,926	-	7,888,551
313	Board of Jury Supervisors	1,491,841	-	-	-	1,491,841
314	Probate Court	88,550	-	-	-	88,550
315	Sheriff	7,622,360	-	-	-	7,622,360
316	City Courts	2,816,347	-	-	-	2,816,347
317	City Marshal	988,373	-	31,013	-	1,019,386
320	Probation and Juvenile Detention Center	14,629,495	-	-	-	14,629,495
321	Circuit Drug Court	398,635	-	-	-	398,635
	<b>Subtotal</b>	<b>42,157,980</b>	<b>2,078,811</b>	<b>236,939</b>	<b>-</b>	<b>44,473,730</b>
<b>COUNTY OFFICES</b>						
330	Tax Equalization Board	16,900	-	-	-	16,900
331	License Collector	-	5,500,000	-	-	5,500,000
333	Recorder of Deeds	2,171,381	-	-	-	2,171,381
334	Board of Election Commissioners	3,049,924	-	-	-	3,049,924
335	Medical Examiner	1,512,409	-	125,000	-	1,637,409
340	Treasurer	651,590	-	-	-	651,590
	<b>Subtotal</b>	<b>7,402,204</b>	<b>5,500,000</b>	<b>125,000</b>	<b>-</b>	<b>13,027,204</b>

**FY03 BUDGET - ALL FUNDS  
BY DEPARTMENT**

Department		General Fund	Special Funds Revenue	Special Funds Grant	Enterprise Funds	Total Funds
<b>PUBLIC UTILITIES</b>						
401	Cable Communications	-	1,613,451	-	-	1,613,451
414	Soulard Market	248,945	-	-	-	248,945
415	Water Division	-	-	-	46,863,350	46,863,350
420	Airport Authority	-	-	-	164,758,051	164,758,051
	<b>Subtotal</b>	<b>248,945</b>	<b>1,613,451</b>	<b>-</b>	<b>211,621,401</b>	<b>213,483,797</b>
<b>STREETS</b>						
510	Director of Streets	1,026,254	-	-	-	4,851,498
	Lateral Sewer Fund	-	3,825,244	-	-	-
511	Traffic and Lighting	7,891,869	-	-	-	7,891,869
513	Auto Towing and Storage	1,591,945	-	-	-	1,591,945
514	Street Division	6,612,860	-	-	-	6,612,860
516	Refuse Division	14,311,774	-	310,260	-	14,622,034
520	Port Authority	-	4,661,000	-	-	4,661,000
	<b>Subtotal</b>	<b>31,434,702</b>	<b>8,486,244</b>	<b>310,260</b>	<b>-</b>	<b>40,231,206</b>
<b>PUBLIC SAFETY</b>						
610	Director of Public Safety	577,062	-	-	-	577,062
611	Fire Department	47,192,723	25,000	-	-	47,217,723
612	Firefighter's Retirement System	5,844,384	-	-	-	5,844,384
615	Air Pollution Control	-	-	-	-	0
616	Excise Commissioner	321,592	-	-	-	321,592
620	Building Commissioner	7,440,508	841,206	4,197,417	-	12,479,131
622	Neighborhood Stabilization	2,202,801	-	3,425,048	-	5,627,849
625	City Emergency Management Agency	324,164	-	-	-	324,164
632	Medium Security Institution	15,886,074	-	-	-	15,886,074
633	City Justice Center	12,717,109	-	-	-	12,717,109
650	Police Department	128,227,999	4,017,615	6,925,974	-	139,171,588
651	Police Retirement System	298,123	-	-	-	298,123
	<b>Subtotal</b>	<b>221,032,539</b>	<b>4,883,821</b>	<b>14,548,439</b>	<b>-</b>	<b>240,464,799</b>
<b>HEALTH AND HOSPITALS</b>						
700	Director, Health and Hospitals	-	1,111,017	280,276	-	1,391,293
710	Health Commissioner	-	1,159,178	4,767,604	-	5,926,782
711	Communicable Disease Control	-	1,900,028	3,352,660	-	5,252,688
712	School Health	-	-	-	-	-
713	Public Health Laboratory	-	620,863	-	-	620,863
714	Animal Regulation Center	857,858	-	30,375	-	888,233
715	Community Sanitation and Vector Control	2,156,451	-	1,345,504	-	3,501,955
716	Lead Poisoning Control	-	481,653	653,519	-	1,135,172
717	Biostatistics/Vital Records	-	-	-	-	-
719	Immunization Service	-	1,356,128	1,111,197	-	2,467,325
720	Food Control	-	639,066	38,911	-	677,977
721	Health Promotion/Education	-	-	-	-	-
737	Health Care Trust Fund	-	5,000,000	1,500,000	-	6,500,000
	<b>Subtotal</b>	<b>3,014,309</b>	<b>12,267,933</b>	<b>13,080,046</b>	<b>-</b>	<b>28,362,288</b>
<b>HUMAN SERVICES</b>						
800	Director of Human Services	1,533,317	1,273,444	20,179,102	-	22,985,863
	<b>Subtotal</b>	<b>1,533,317</b>	<b>1,273,444</b>	<b>20,179,102</b>	<b>-</b>	<b>22,985,863</b>
<b>BOARD OF PUBLIC SERVICE</b>						
900	President, Board of Public Service	3,748,054	1,185,427	-	-	4,933,481
903	Facilities Management	9,913,767	-	-	-	9,913,767
910	Equipment Services Division	9,985,105	-	-	-	9,985,105
930	Soldier's Memorial	195,507	-	-	-	195,507
	<b>Subtotal</b>	<b>23,842,433</b>	<b>1,185,427</b>	<b>-</b>	<b>-</b>	<b>25,027,860</b>
<b>CAPITAL IMPROVEMENTS FUND</b>						
		-	40,654,600	-	-	40,654,600
<b>DEBT SERVICE FUND</b>						
		-	5,701,473	-	-	5,701,473
<b>TOTAL BUDGET</b>		<b>\$415,195,843</b>	<b>\$136,012,989</b>	<b>\$63,481,544</b>	<b>\$211,621,401</b>	<b>\$826,311,777</b>

# FY03 BUDGET SUMMARY BY FUND (in million \$)

Sources and Uses	Local Use		Convention				Other 1116		Communications Fund		Lateral Sewer Fund		Riverboat Gaming Fund	
	General Fund	Tax Fund	Tourism Fund	Facility Trust Fund	Building Demolition Fund	Assessment Fund	Child Support Fund 1116	Special Funds	tions Fund		Fund		Fund	
Projected Beginning Fund Balance	\$24.700	\$10.810	(\$0.044)	\$0.437	\$0.962	(\$0.073)	\$0.090	\$18.436	\$0.244		\$3.401		\$1.424	
<b>Revenues</b>														
Earnings Tax	127.500	--	--	--	--	--	--	--	--	--	--	--	--	--
Property Tax	43.834	--	--	--	--	1.153	--	--	--	--	--	--	--	--
Sales & Use Taxes	49.895	20.000	--	--	--	--	--	--	--	--	--	--	--	--
Motor Vehicle Sales Tax	3.600	--	--	--	--	--	--	--	--	--	--	--	--	--
Gasoline Tax	8.950	--	--	--	--	--	--	--	--	--	--	--	--	--
Payroll Tax	35.850	--	--	--	--	--	--	--	--	--	--	--	--	--
Franchise (Utilities) Taxes	52.442	--	--	--	--	--	--	--	2.216	--	2.750	--	--	--
Restaurant Taxes	2.150	--	4.075	--	--	--	--	--	--	--	--	--	--	--
3.5% Hotel Sales Tax	--	--	--	--	5.065	--	--	--	--	--	--	--	--	--
Other Taxes	0.500	--	--	--	--	--	--	--	--	--	--	--	--	--
License Fees	22.406	--	--	--	--	--	--	--	--	--	--	--	--	--
Enterprise Revenues	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Grants / Other Intergovt. Revenues	12.461	--	--	--	--	0.839	1.478	--	--	--	--	--	5.800	--
Dept. User Fees, Fines & Other Rev.	36.462	--	--	--	1.600	0.099	--	8.560	--	--	--	--	0.020	--
Transfers In	13.600	--	--	--	--	1.929	--	--	--	--	--	--	--	--
Other Resources	1.550	--	--	--	--	--	--	--	--	--	0.150	--	--	--
<b>Total Sources of Fund:</b>	<b>\$411.200</b>	<b>\$20.000</b>	<b>\$4.075</b>	<b>\$5.065</b>	<b>\$1.600</b>	<b>\$4.020</b>	<b>\$1.478</b>	<b>\$8.560</b>	<b>\$2.216</b>	<b>\$2.900</b>	<b>\$5.820</b>			
<b>Appropriation:</b>														
Personal Services	310.299	6.924	--	--	0.469	3.306	0.973	2.264	1.178	0.509	0.650			
Materials & Supplies	16.133	0.343	--	--	0.105	0.033	0.119	0.420	0.068	0.007	0.010			
Rental & Non Capital Leases	4.385	0.070	--	--	--	0.010	0.011	0.025	0.004	0.006	0.000			
Non Capital Equipment	0.671	0.013	--	--	0.123	0.019	0.064	0.031	0.012	0.000	0.010			
Capital Assets	3.008	--	--	--	--	0.000	0.047	0.106	0.054	0.060	0.655			
Contractual & Other Services	52.231	8.729	0.075	--	1.771	0.652	0.265	5.006	0.497	2.998	0.625			
Debt Service	20.740	--	--	--	--	--	--	2.568	--	--	--			
Transfers Out :														
Capital Lease Payments	5.800	--	--	--	--	--	--	--	--	--	--			
Other Transfers Out	1.929	1.500	4.000	5.500	--	--	0.000	1.600	--	--	--			
<b>Total Uses of Funds</b>	<b>\$415.196</b>	<b>\$17.579</b>	<b>\$4.075</b>	<b>\$5.500</b>	<b>\$2.468</b>	<b>\$4.020</b>	<b>\$1.478</b>	<b>\$12.020</b>	<b>\$1.814</b>	<b>\$3.581</b>	<b>\$6.770</b>			
<b>Projected Ending Fund Balance</b>	<b>\$20.704</b>	<b>\$13.231</b>	<b>(\$0.044)</b>	<b>\$0.002</b>	<b>\$0.094</b>	<b>(\$0.073)</b>	<b>\$0.090</b>	<b>\$14.976</b>	<b>\$0.646</b>	<b>\$2.721</b>	<b>\$0.474</b>			

nb: Fund balances exclude 27th pay reserves and other designated balances.



**FY03 BUDGET SUMMARY BY FUND (in million \$)**

Sources and Uses	SLATE	Community Development Agency *	1166-69 Grant Funds	Street Improvement Fund *	1217-22 Capital Improvement Funds	General Obligation Debt Service	Tax Incremental Financings	Water Division Enterprise Fund	Airport Enterprise Fund	Mail Services Internal Service Fund	Employees Health & Hosp. Fund	
Projected Beginning Fund Balance	n/a	n/a	n/a		\$1,000	\$6,080	\$7,974	\$0,000	\$13,353	\$24,921	\$0,037	\$0,734
Revenues												
Earnings Tax	--	--	--	--	--	--	--	--	--	--	--	--
Property Tax	--	--	--	--	--	5,701	--	--	--	--	--	--
Sales & Use Taxes	--	--	--	--	19,356	--	--	--	--	--	--	--
Motor Vehicle Sales Tax	--	--	--	0,794	--	--	--	--	--	--	--	--
Gasoline Tax	--	--	--	--	1,450	--	--	--	--	--	--	--
Payroll Tax	--	--	--	--	--	--	--	--	--	--	--	--
Franchise (Utilities) Taxes	--	--	--	3,360	--	--	--	4,000	--	--	--	--
Restaurant Taxes	--	--	--	--	--	--	--	--	--	--	--	--
3.5% Hotel Sales Tax	--	--	--	--	--	--	--	--	--	--	--	--
Other Taxes	--	--	--	--	--	--	1,944	--	--	--	--	--
License Fees	--	--	--	--	--	--	--	--	--	--	--	--
Enterprise Revenues	--	--	--	--	--	--	--	38,693	170,675	--	--	--
Grants / Other Intergovt. Revenues	8,812	37,124	46,155	--	2,500	--	--	--	--	--	0,870	30,987
Dept. User Fees, Fines & Other Rev. Transfers In	--	--	--	--	1,675	--	--	--	--	--	--	--
	--	--	--	--	11,245	--	--	--	--	--	--	--
Other Resources	--	--	--	--	0,350	--	--	--	--	--	--	--
Total Sources of Fund:	\$8,812	\$37,124	\$46,155	\$4,154	\$36,576	\$5,701	\$1,944	\$42,693	\$170,675	\$0,870	\$30,987	
Appropriation:												
Personal Services	1,952	4,714	14,633	--	0,580	--	0,055	19,550	41,053	0,172	0,412	
Materials & Supplies	0,187	0,073	0,221	--	--	--	--	7,470	4,629	0,004	0,005	
Rental & Non Capital Leases	0,374	0,475	0,046	--	--	--	--	0,183	0,281	--	--	
Non Capital Equipment	--	0,034	1,951	--	25,119	--	--	0,163	0,485	--	0,012	
Capital Assets	0,000	0,060	0,000	--	--	--	--	0,815	3,320	--	0,000	
Contractual & Other Services	6,299	31,767	29,301	5,000	--	--	--	14,630	37,904	0,695	31,218	
Debt Service	--	--	0,004	--	14,956	5,701	1,889	4,053	77,086	--	--	
Transfers Out :												
Capital Lease Payments	--	--	--	--	--	--	--	--	--	--	--	
Other Transfers Out	--	--	--	--	--	--	--	--	--	--	--	
Total Uses of Funds	\$8,812	\$37,124	\$46,155	\$5,000	\$40,655	\$5,701	\$1,944	\$46,864	\$164,758	\$0,871	\$31,647	
Projected Ending Fund Balance	\$0,000	\$0,000	\$0,000	\$0,154	\$2,001	\$7,974	\$0,000	\$9,182	\$30,838	\$0,036	\$0,074	

nb: Fund balances exclude 27th pay reserves and other designated balances.

nb: Fund balances exclude 27th pay reserves and other designated balances.

## SUMMARY AND OVERVIEW

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### FY2003 GENERAL FUND BUDGET

The FY2003 proposed general fund budget is \$415.2 million, an increase of 2.6% over that of FY2002. The allocation of these funds has been developed in such a way as to maintain existing services and properly fund all fixed obligations, while accommodating the changing dynamics among the market forces that ultimately drive the budget process. The proposed allocation scenario continues to place emphasis on Neighborhood Stabilization and Public Safety as its primary focus areas. Additionally, the proposal accommodates all fixed obligations, including debt service costs, pension fund contributions, mandated costs imposed by state statutes, and contractual commitments. Remaining resources have been allocated across departments in a manner designed to encourage operational efficiencies in the delivery of services and to begin to put the City in a position to fund the necessary changes to the way certain services will be delivered in the future.

The general fund allocation for Police services is \$128.2 million and now consumes more than 30% of the entire budget. The

allocated amount is based on a constant minimum staffing level of 1,503 commissioned officers and sufficient recruit classes to maintain the authorized level. The number of commissioned officers funded by this proposal represents an increase of 58 over the current strength. Building on the success of the program of enhanced neighborhood police patrols initiated in previous years, the allocation for Police services includes funds to expand the program by increasing the funding for overtime. The budget proposal also includes \$47.1 million for Fire and Emergency Medical services. While no new Fire Department services are contemplated, the proposed allocation represents an increase of 5.7%, and continues the practice of operating 30 firehouses throughout the City.

In recent budget proposals, the City has implemented new programs aimed at enhancing the stability of its neighborhoods. In addition to responding to actual and perceived problems related to public safety, new programs designed to improve the attractiveness of the neighborhoods were funded. These include a program to enhance street lighting in residential neighborhoods, the District Debris program to clean up and

## SUMMARY AND OVERVIEW

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maintain vacant and abandoned property, and the Trash Task Force to reduce and ultimately eliminate illegal dumping. Each of these programs has met with initial success and funds to continue these efforts have been incorporated into the operating budget proposal for FY2003.

Operational changes are proposed for FY2003 to make more efficient use of the City's limited resources. Responsibility for maintaining and providing records of births and deaths formerly held by the Health Division will be transferred to the Recorder of Deeds. The plan also proposes a reorganization of security functions provided by the City marshal and expanded contractual security services at City buildings. The Corrections Division will continue to provide inmate housing by contract with St. Louis County for three months prior to the opening of the City's new Justice Center, scheduled for September, 2002. The FY2003 proposal also accommodates the City's recent acquisition of the nearby federal courthouse and includes transitional funding to complete the transfer of certain City offices to this facility.

## SUMMARY AND OVERVIEW

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In the FY2003 budget proposal, the practice of allocating general fund revenues to finance and maintain public improvements is continued. This includes \$1.0 million to retire debt associated with the Kiel Center, \$5.0 million to retire debt on the Edward Jones Dome, and \$12.9 for debt on the Convention Center. Aside from these debt service payments, \$1.0 million and \$2.0 million allocations are included to preserve the assets at the Edward Jones Dome & Convention Center respectively. In addition to these direct payments from the general fund budget, a total of \$3.8 million will be transferred to the Capital Improvements Fund to offset debt service requirements on the Justice Center and Civil Courts Building.

Fixed increases accommodated in the FY2003 budget include the impact of a pay plan for firefighters and police officers that will provide for a \$1,500 per person cost of living increase. For commissioned police officers and firefighters, the budget proposal provides salary increases ranging from 3.4% to 10.5% depending on length of service. A total of \$2.0 mil has been included for a 1.5% pay raise for other City employees. Increases included in the budget estimates of the Circuit

Court require the City to budget for new programs, new employees, and repairs to city owned buildings. These increases are funded as a result of statutory requirements to leave unaltered any budget estimates submitted by the Circuit Court. Negotiations between the City and the Circuit Court during the budget review process, produced some reductions from the original request accounting for the restoration of previously considered budget cuts in other areas.

The proposed budget increases are funded by increases in recurring revenues, decreases in some operating costs, and use of previously unappropriated fund balances. New revenue included in the plan include additional court costs on cases adjudicated in the municipal courts. Operating cost decreases include elimination of the subsidy to the Truman Restorative Center and a decrease in the expected cost of utilities. The aforementioned unappropriated fund balances refers to accumulated balances in certain special funds, as well as any excess in the general fund after setting aside a reserve equal to 5% of the general fund budget.

## SUMMARY AND OVERVIEW

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### **Major changes in the FY2003 General Fund Budget include:**

- Salary increases for firefighters and police department employees at a cost of \$5.0 mil.
- \$2.0 mil. for a 1.5% pay increase for other City employees
- Increase in Retirement System contributions of \$6.2 mil.
- \$7.5 mil. increase in costs for operating new Justice Center
- Employee health insurance increases of \$2.4 mil. in the Police Dept. and \$1.1 mil. for other City departments
- \$275,000 for Circuit Court moving expenses in move to Carnahan Courthouse
- Shift of Air Pollution Control from Dept. of Public Safety to Dept. of Health & Hospitals
- \$200,000 increase in liability insurance coverage.
- \$500,000 increase in scheduled debt service payments on the Convention Center
- Transfer of Vital Records function to the Recorder of Deeds
- Increase in Workers' Compensation costs of \$1.3 mil.
- Restructuring of Parks horticulture program to emphasize volunteer group efforts and use of perennial plantings to reduce costs

## SUMMARY AND OVERVIEW

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### FY2003 GENERAL FUND REVENUES

Revenues available to support the budget for general operations are forecast at \$415.2 million. The recurring portions of these revenues are generated by a variety of sources, the most significant being taxes on employment. Other major revenue sources include taxes on property and retail sales, along with various business license fees and intergovernmental revenues from the State of Missouri. The remaining general fund revenues are comprised of departmental receipts for services rendered and fines resulting from ordinance violations. Additionally, revenues which have built up in special funds are being transferred in to the general fund to augment recurring sources.

Employment based taxes, a category which includes the earnings tax, payroll expense tax, and the graduated business license fee provide the largest share of general fund revenues. In FY2003, this group is expected to provide more than 40% of all general fund revenues and is forecast to grow at a rate of 3.6% over the revised estimate for FY2002. Of this group, the earnings tax applied to individual's earnings and business

profits is the most significant and is forecast to generate \$127.5 million in FY2003. The payroll expense tax, a function of total wages paid for work performed in the City, and the graduated business license fee, which is based on the number of full time equivalent workers in the City, are both key indicators of employment trends in the City. Together these two revenue sources are forecast to generate \$43.7 million in FY2003. All of the forecasted increase is expected to come from the payroll expense tax, as the graduated business license fee has remained constant at \$7.8 million per year.

Property tax revenues are forecast to increase by 2.8% to \$43.8 million based on the expectation that the assessed value of both real and personal property will continue to increase. Retail sales taxes are expected to generate \$49.9 million, an amount that is nearly equal to actual collections in FY2001 and which reflects the decline in retail economic activity. Franchise taxes, a category which includes a gross receipts tax on privately owned utility companies and the City-owned Airport and Water Division, should provide \$52.4 million, a modest increase from the current year's revised

## SUMMARY AND OVERVIEW

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estimate of \$51.4 million.. While there are no rate increases incorporated into the forecast, the City will continue to benefit from an expansion of taxable services provided by telephone utilities. As in past years, the estimated receipts from the sale of both natural gas and electricity is based on existing rates and average usage, with extreme weather conditions being factored out.

Revenues from sources associated with the hospitality and entertainment industry are also projected to be higher. As a group, these services which include the amusement, restaurant, parking and hotel taxes are expected to provide \$22.2 million. In addition to the underlying growth in these sources, FY2003 will benefit from the addition of new hotel rooms in the downtown area. Intergovernmental revenue should be higher based on increased reimbursements for housing state pre-trial inmates due to increased capacity with the Justice Center coming on line. These reimbursements will help offset losses in motor vehicle sales tax and gasoline tax experienced when the year 2000 census figures took effect.

Departmental user fees will increase by

nearly 3%, mainly due to expected new charges for court costs, along with increasing efficiency in collection activity. The following chart depicts the allocation of revenue sources supporting the general revenue budget for FY2003.

### **Earnings and Payroll Tax**

Employment-based tax revenue, i.e., earnings and payroll taxes, continue to grow and provide the largest share of the City's general revenue. The concentration of metropolitan area jobs in the downtown St. Louis area and the stable outlook for employment throughout the area are the basis for our expectation of continued growth from these sources. The FY2003 revenue estimate projects growth of 3.3% for earnings tax and 5.1% for payroll tax, both of which are consistent with the recent trend. Earnings and payroll taxes are projected to provide \$127.5 and \$35.9 million, respectively. Together, these account for approximately 40% of the City's general fund revenues.

### **Tourism and Amusement Tax**

Convention and tourism based revenues such

## SUMMARY AND OVERVIEW

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as restaurant and hotel taxes are projected to provide \$11.7 million, an increase from the current year's level of \$11.3 million. Actual growth in hotel and restaurant receipts is expected to average about 3%. Previously collected revenues, which have been accumulating in a special fund, will be transferred in FY2003 accounting for the increase of nearly 4% to the general fund. Amusement tax revenues, which are a function of the prices paid for tickets purchased for sports events are expected to increase due to ticket price hikes and growing popularity evidenced by attendance figures. In FY2003 amusement taxes are projected to be \$7.9 million, up from \$7.6 million in FY2002, an increase of 4.0%. This increase incorporates the estimated impact of previously announced hikes in the prices of tickets.

### **Sales Tax**

Local sales tax revenues will account for approximately \$49.9 million based on the local tax rate of 1.375%. Sales tax revenue has declined in the last two quarters and the original estimate will not be achieved. The FY2003 estimate calls for growth of about

2.5% on a decreased base.

### **Property Tax**

Property tax revenues, which will account for more than 10% of the general fund in FY2003, continue to provide an important piece of the general revenue pie. The forecast for next year recognizes the growth in the real estate assessments and the statutory prohibition against the realization of a revenue windfall resulting from reassessment of real property. Revenue from real property is allowed an increase limited to an accepted inflation index, plus any increases resulting from new construction. FY2003 revenues anticipate continued growth in the assessed value of real estate and personal property.

### **Franchise Tax**

Revenues from franchise taxes are forecast at \$52.4 million. Because a majority of these revenues are based on the gross receipts of utility companies, they are to a great extent dependent on changes in weather patterns, and to a lesser extent on regulatory agency actions. An expected decline in revenues



## SUMMARY AND OVERVIEW

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from the airport based on reduced carrier revenues also serve to mitigate otherwise expected increases in this area.

### **License and Permits**

License and permit revenue is expected to increase from the current year's level, by approximately 3.5% with increases in gross receipts based licenses such as the ones levied on parking garages, sporting events, and building and occupancy permits. Some of the increase will be offset by an expected decrease in revenue from the cigarette license tax. Others, such as liquor, graduated business, and automobile licenses are forecast to remain at the current year's level.

As a result of the City's population decrease as measured by the year 2000 census, the share of gasoline and motor vehicle sales tax distributed to the City has dropped, effective in the current year. That decrease is also reflected in the FY2003 forecast. This category also includes state reimbursements for the cost of housing pre-trial inmates and placements of juvenile offenders. Because of increased capacity, housing reimbursements are forecast to be higher, offsetting the decrease in other intergovernmental revenues

### **Intergovernmental Revenues.**

Revenues received from the State include the motor vehicle sales tax and a gasoline tax, both of which are imposed statewide and distributed to local jurisdictions based on a statutory or constitutional formula. Because of increased automobile sales statewide, the distribution to the City of motor vehicle sales tax had been growing.

**CITY OF ST. LOUIS**  
**GENERAL FUND REVENUE ESTIMATE**

<b>Revenue Category</b>	<b>Actual FY01</b>	<b>Revised Estimate FY02</b>	<b>Projected Receipts FY03</b>	<b>Percent Change</b>
Earnings Tax	\$122,594,134	\$123,339,000	\$127,500,000	3.4%
Sales Taxes	49,807,226	48,680,000	49,895,000	2.5%
Property Tax	39,829,977	42,654,000	43,834,000	2.8%
Payroll Expense Tax	34,719,192	34,100,000	35,850,000	5.1%
Franchise / Utility Taxes:				
Electricity	23,427,074	23,000,000	23,500,000	2.2%
Natural Gas	11,964,885	7,200,000	7,500,000	4.2%
Telephone	11,778,590	11,600,000	11,700,000	0.9%
Water	3,893,724	4,000,000	4,000,000	0.0%
Airport	5,061,000	4,800,000	4,968,000	3.5%
All Other franchise fees	1,053,935	774,000	774,000	0.0%
Subtotal	57,179,208	51,374,000	52,442,000	2.1%
Intergovernmental Revenues:				
Gasoline Tax	10,219,892	9,400,000	8,950,000	-4.8%
Health Care Payments	2,410,587	3,111,000	3,061,000	-1.6%
Prisoner Housing Reimbursement	6,016,126	5,400,000	7,200,000	33.3%
Juvenile Detention Reimbursements	2,085,194	2,220,000	2,200,000	-0.9%
Motor Vehicle Sales Tax	4,134,656	3,800,000	3,600,000	-5.3%
Intangible Tax	422,900	125,000	500,000	300.0%
Subtotal	25,289,355	24,056,000	25,511,000	6.0%
Licenses:				
Graduated Business License	7,764,178	7,800,000	7,800,000	0.0%
Cigarette Occupational License	2,131,646	1,904,000	1,814,000	-4.7%
Sports and Amusement	6,766,797	7,601,000	7,920,000	4.2%
Automobile	1,415,592	1,425,000	1,425,000	0.0%
Parking Garages and Lots	2,466,432	2,500,000	2,625,000	5.0%
Other Licenses	520,962	840,000	822,000	-2.1%
Subtotal	21,065,607	22,070,000	22,406,000	1.5%

**CITY OF ST. LOUIS**  
**GENERAL FUND REVENUE ESTIMATE**

<b>Revenue Category</b>	<b>Actual FY01</b>	<b>Revised Estimate FY02</b>	<b>Projected Receipts FY03</b>	<b>Percent Change</b>
Departmental Revenues:				
Fines and Forfeits	7,097,277	7,993,000	9,658,000	20.8%
Building and Occupancy Permits	3,785,924	4,138,000	4,271,000	3.2%
Departmental User Fees & Other	21,075,094	21,796,000	22,533,000	3.4%
Subtotal	31,958,295	33,927,000	36,462,000	7.5%
Convention and Tourism Taxes:				
Hotel / Motel Gross Receipts <sup>1</sup>	4,650,000	5,000,000	5,500,000	10.0%
Restaurant Gross Receipts - 1 cent <sup>1</sup>	3,800,000	4,300,000	4,000,000	-7.0%
Restaurant Gross Receipts - 1/2 cent	2,012,807	2,000,000	2,150,000	7.5%
Subtotal	10,462,807	11,300,000	11,650,000	3.1%
All other revenues and transfers	3,298,311	2,700,000	5,650,000	109.3%
Fund Balance (in excess of 5%)	0	0	4,000,000	
Subtotal	3,298,311	2,700,000	9,650,000	257.4%
<b>TOTAL GENERAL FUND REVENUES</b>	<b>\$396,204,112</b>	<b>\$394,200,000</b>	<b>\$415,200,000</b>	<b>5.3%</b>

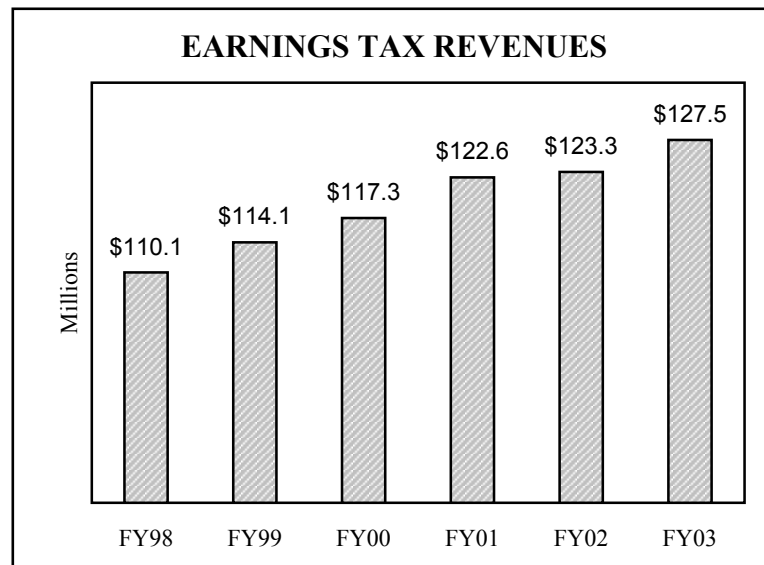
<sup>1</sup> Transfers from convention and sports facility trust fund and convention and tourism fund respectively

## EARNINGS TAX

### Definition

A one percent tax levied against employee gross compensation and business net profits.

The tax applies to all residents of the City of St. Louis regardless of where they work. It also applies to the earnings of non-residents who work within the city limits.



### Discussion

The city earnings tax is the most significant single source of general fund revenues, comprising nearly one-third of the total revenues. Receipts from individual taxpayers comprise about 85 percent of total earnings tax revenues, with businesses paying the remaining 15 percent. The Collector of Revenue is authorized by State law to retain a percentage of collections to pay for office operations. Funds not used for operations, including interest, are returned to the city.

Revenues are projected to increase by about 3.4% reflecting a return to growth in the local economy.

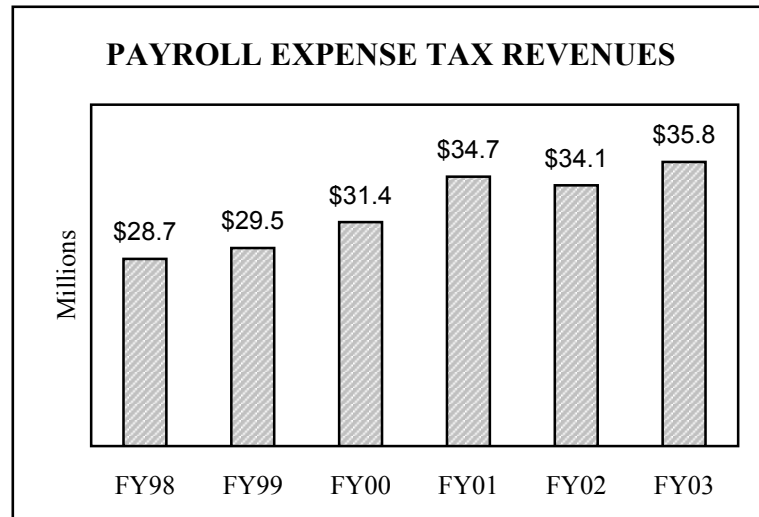
## PAYROLL EXPENSE TAX

### Definition

A tax of one-half of one percent of total compensation paid by a business to its employees for work performed in the City of St. Louis. Not-for-profit charitable or civic organizations are exempt from the payroll expense tax.

### Discussion

The payroll expense tax was implemented in 1988 as part of an overall tax reform package, the aim of which was to redesign the city revenue base to be more attuned to changes in the economy. Payroll expense tax receipts follow trends in earnings tax collections, but grows at a different rate, due to a somewhat different base and exemptions noted above. Revenue from this source is expected to increase by 5.0% in FY02

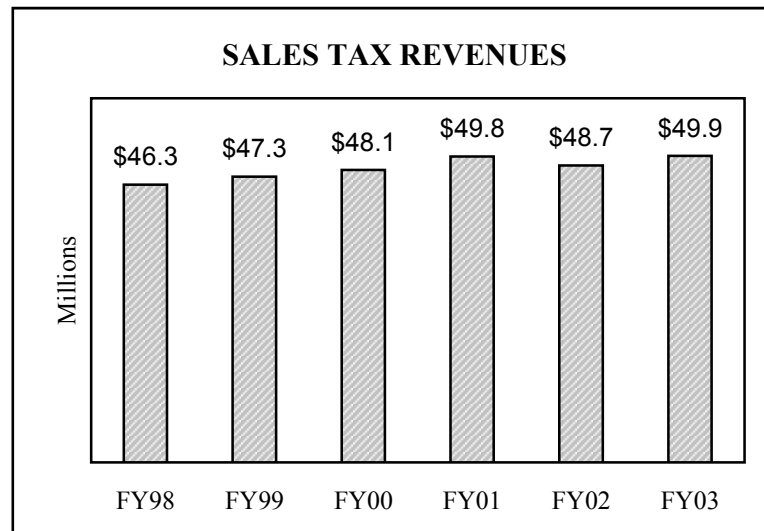


## SALES TAX

### Definition

A one and three-eighths percent tax levied on retail sales in the City of St. Louis. Sales tax is not levied on certain items, including motor fuels, prescription drugs, food purchased with food stamps, all sales by or to not for profit organizations and residential utility charges.

### Discussion



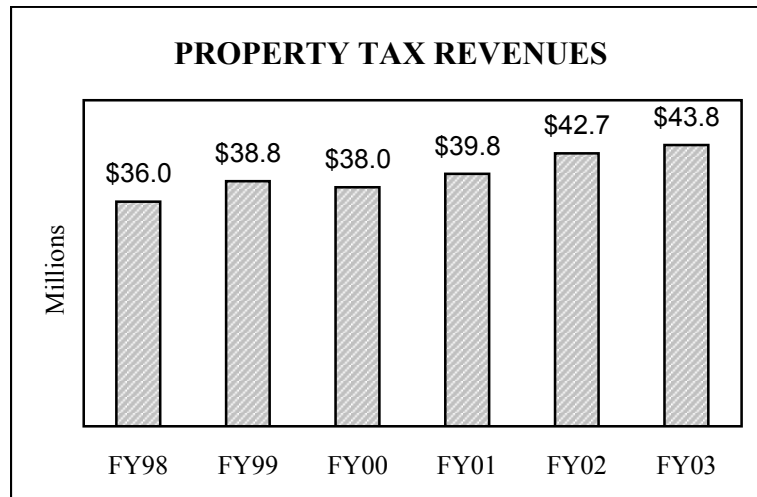
The chart above shows the collections history of the city's 1.375% local sales tax that is deposited into the City's general fund. Revenue from sales taxes in FY03 are forecast to increase at a rate of 2.5%.

Separate sales taxes not included in the above figures are the City's 0.5% (half cent) sales tax for capital improvement purposes (described in another section) as well as 0.5% and 0.25% sales taxes for transportation purposes that are allocated to the Bi-State Transit Authority. Finally a 0.10% regional parks sales tax which became effective in 2001 brings the total sales taxes imposed by the City to total 2.725%.

## REAL AND PERSONAL PROPERTY TAXES

### Definition

A tax levied on the assessed value of all real and personal property. The current tax rate is \$7.325 per \$100 assessed value



### Discussion

Real and personal property tax revenues are distributed to the following taxing jurisdictions.

State	\$0.0300
Schools	4.3000
Community College	0.2300
Library	0.5595
Zoo, Museum, Garden District	0.2220
Sewer District	0.0890
Sheltered Workshop	0.1499
Community Mental Health	0.0899
City - General Purposes	1.4478
City - Public Debt	0.1513
TOTAL	<u>\$7.2694</u>

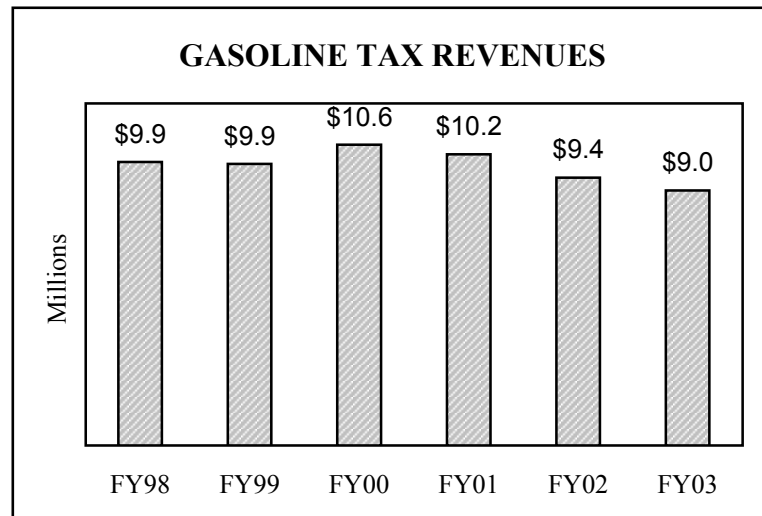
Taxes are levied on all real and personal property owned as of January 1 in each year. Tax bills are normally mailed in November and payment is due by December 31, after which taxes become delinquent. Assessment ratios are 19% for residential property, 32% for commercial property, and 12% for agricultural real estate. Personal property is assessed at 33.3% of the appraised market value.

In addition to the rate shown, commercial real property is taxed at a rate of \$1.64 per \$100 assessed valuation, as a replacement for the Manufacturer's Inventory tax.

## GASOLINE TAX

### Definition

A per unit tax levied on the sale of motor fuel purchased statewide. The gasoline tax is levied by the state and remitted monthly to local jurisdictions based on the proportionate share of the total population.



### Discussion

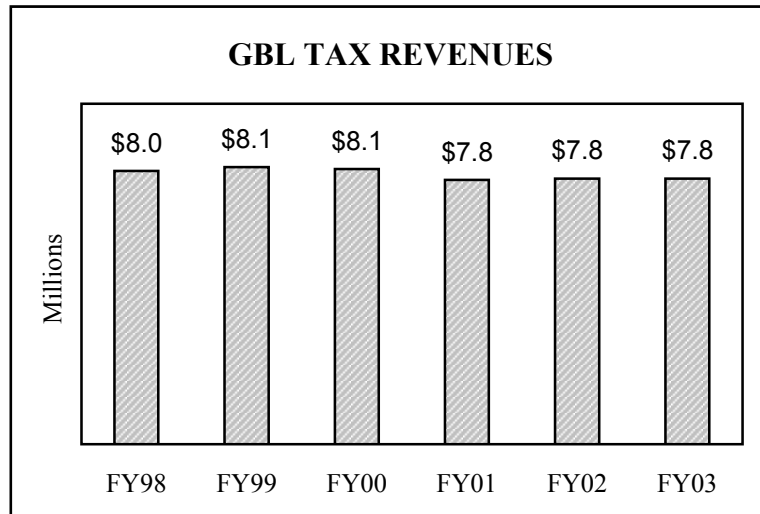
The gasoline tax rate imposed by the State of Missouri is \$0.17 per gallon. The City receives distributions from the state both for its status as a city and a county. The formula for distribution for these revenues is based on the jurisdiction's population as a percentage of all jurisdictions. As a result of the 2000 census, the City has seen a decline in its share of gasoline tax revenue distributions beginning in FY02. FY03 receipts will reflect the full year's impact of the census with over a \$1.0 million less than that received in FY01. A like decline will be experienced in that portion of the gasoline tax revenues, dedicated to the Capital Improvements Fund for street and bridge projects.



## GRADUATED BUSINESS LICENSE TAX

### Definition

A flat rate tax on businesses based on the number of persons a business employs within the city limits. The tax rate ranges from \$150 for employers with two or fewer employees to \$25,000 for employers with more than five hundred employees.



### Discussion

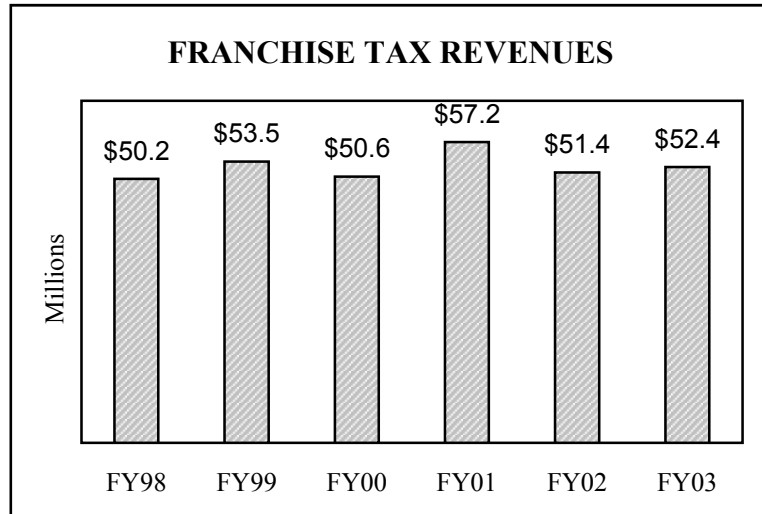
The graduated business license tax and provides a consistent source of revenue of about \$8.0 million per year. As indicated by the chart above, the level of employment activity has remained relatively constant. Taxes are based on the following schedule.

Number of Employees	GBL Tax
501 or more	\$25,000
401-500	\$23,000
301-400	\$20,000
201-300	\$17,000
151-200	\$13,500
101-150	\$10,000
76-100	\$7,500
51-75	\$5,000
41-50	\$3,000
31-40	\$2,000
21-30	\$1,500
11-20	\$1,000
6-10	\$500
3-5	\$250
2 or fewer	\$150

## FRANCHISE TAX

### Definition

A tax on the gross receipts of utility companies operating within the city, including sales of electricity, natural gas, telephone services, water and steam, and on the gross receipts of the Airport.



### Discussion

The tax rate for companies supplying natural gas and electricity is 10% of the gross receipts from their commercial customers and 4% of the gross receipts from residential customers. Companies supplying telephone service, steam and water are taxed at 10% of their gross receipts from all customers. The taxes are passed on to the ultimate consumers.

The tax on natural gas and electricity account for about two-thirds of all franchise tax revenue. Rate changes for supplying natural gas, electricity, and telephone service are subject to approval by the Missouri Public Service Commission. In FY01, increases in the cost of natural gas resulted in significantly higher revenues from natural gas taxes. Projections for FY02 and FY03 reflect a return to more normal usage and rates.

**CITY OF ST. LOUIS**  
**SPECIAL AND OTHER FUNDS REVENUE ESTIMATE**

<b>Revenue Category</b>	<b>Actual Receipts FY01</b>	<b>Revised Estimate FY02</b>	<b>Projected Receipts FY03</b>	<b>Percent Change</b>
<b>SPECIAL FUND REVENUES:</b>				
Local Use Tax Fund	\$0	\$18,000,000	\$20,000,000	11.1%
	0	18,000,000	20,000,000	11.1%
Convention and Tourism Fund				
Restaurant Gross Receipts Tax (1%)	3,877,203	4,224,000	3,970,000	-6.0%
Fund Balance	85,297	76,000	30,000	
	3,962,500	4,300,000	4,000,000	-7.0%
Convention and Sports Facility Fund				
Hotel and Motel Sales Tax (3.5%)	5,152,949	5,203,500	5,065,000	-2.7%
Fund Balance	0	0	435,000	n/a
	5,152,949	5,203,500	5,500,000	5.7%
Building Demolition Fund - Permits	1,259,885	1,600,000	1,600,000	0.0%
Fund Balance	0	0	867,000	n/a
	1,259,885	1,600,000	2,467,000	54.2%
Assessment Fund				
Real Estate Tax	1,108,329	1,100,000	1,100,000	0.0%
State Reimbursements	838,952	839,000	839,000	0.0%
Other	81,128	98,600	98,600	0.0%
General Fund Subsidy	1,550,000	1,800,000	1,854,000	3.0%
	3,578,409	3,837,600	3,891,600	1.4%
Child Support Unit - State & Misc. revenues	\$2,187,550	\$1,350,000	\$1,478,000	9.5%
	2,187,550	1,350,000	1,478,000	9.5%
Miscellaneous Special 1116 Funds				
Forest Park Fund	691,425	210,000	210,000	0.0%
Street Excavation Fund	133,660	190,000	190,000	0.0%
Port Authority (incl. gaming lease)	2,755,826	3,034,000	3,239,000	6.8%
Port Authority (previous year rollovers)	0	781,000	1,422,000	82.1%
Building Commissioner - Lead Remediation	1,106,786	1,100,000	1,100,000	0.0%
Building Commissioner - Lead Fund Balance	0	0	630,000	n/a
Police Officer Training Fund	77,290	80,000	80,000	0.0%
Communicable Disease - Immunization Fund	479,021	336,000	300,000	-10.7%
Health Div. - Lead Remediation	101,218	100,000	100,000	0.0%

**CITY OF ST. LOUIS**  
**SPECIAL AND OTHER FUNDS REVENUE ESTIMATE**

<b>Revenue Category</b>	<b>Actual Receipts FY01</b>	<b>Revised Estimate FY02</b>	<b>Projected Receipts FY03</b>	<b>Percent Change</b>
Special Health Care Fund	2,270,206	1,000,000	1,500,000	50.0%
Health Care Trust Fund	5,138,609	0	0	
Battered Persons Shelter Fund	130,073	130,000	130,000	0.0%
BPS Special Project Funds	0	0	1,186,000	n/a
Other Special Revenue Funds	65,688	84,000	139,000	65.5%
	12,949,802	7,045,000	10,226,000	45.2%
<b>Communications Fund</b>				
Cable Television Gross Receipts Tax	1,527,457	1,500,000	2,216,000	47.7%
Fund Balance	317,279	96,000	0	-100.0%
	1,844,736	1,596,000	2,216,000	38.8%
<b>Lateral Sewer Fund</b>				
Tax receipts and interest	2,849,544	2,900,000	2,900,000	0.0%
Fund Balance	0	700,000	680,000	-2.9%
	2,849,544	3,600,000	3,580,000	-0.6%
<b>Riverfront Gaming Revenues (excl. Port lease)</b>				
Adjusted Gross Receipts Tax (@ 2%)	1,276,973	1,500,000	1,600,000	6.7%
Admissions Tax (@ \$1)	3,835,472	4,250,000	4,250,000	0.0%
Interest	18,882	20,000	20,000	
Fund Balance	278,000	0	900,000	
	5,409,327	5,770,000	6,770,000	17.3%
<b>Government Grant Fund Revenues</b>				
St. Louis Agency on Training & Employment	7,609,860	12,113,000	8,800,000	-27.4%
Police Department Grants	3,948,859	5,298,000	10,194,000	92.4%
Community Development (admin. portion)	4,890,954	6,514,000	6,267,000	-3.8%
Other Government Grants	30,889,977	39,206,000	35,949,000	-8.3%
	47,339,650	63,131,000	61,210,000	-3.0%
<b>Capital Improvements Funds</b>				
1/2 Cent Sales Tax	18,070,616	17,702,000	18,143,000	2.5%
Metro Parks Sales Tax	0	2,343,750	1,212,600	-48.3%
Gasoline Tax	1,750,000	1,750,000	1,450,000	-17.1%
Previous Year Surpluses / Balances	1,080,000	5,280,000	6,080,000	15.2%
Income From Sale Of City Assets	219,683	825,000	350,000	-57.6%
Transfers from General and Other Funds	14,895,900	10,475,000	9,245,000	-11.7%
Courthouse Restoration Funds	0	0	1,675,000	
Capital Grants	0	900,000	2,500,000	177.8%

**CITY OF ST. LOUIS**  
**SPECIAL AND OTHER FUNDS REVENUE ESTIMATE**

<b>Revenue Category</b>	<b>Actual Receipts FY01</b>	<b>Revised Estimate FY02</b>	<b>Projected Receipts FY03</b>	<b>Percent Change</b>
Interest Earnings	1,031,023	0	0	
	37,047,222	39,275,750	40,655,600	3.5%
Debt Service Fund				
Property Taxes	9,719,951	5,698,000	5,701,000	0.1%
	9,719,951	5,698,000	5,701,000	0.1%
Tax Increment Financing	3,448,206	1,894,000	1,944,000	2.6%
Trustee Lease Fund - Interest & DSR Earnings	4,149,220	1,172,050	1,052,000	-10.2%
Mail Services Internal Service Fund	582,173	850,000	870,000	2.4%
Employee Benefits Fund	24,976,924	27,134,350	30,987,185	14.2%
Fund Balance	0	1,060,000	660,000	n/a
	24,976,924	28,194,350	31,647,185	12.2%
Rams Practice Facility Fund				
NFL Gross Receipts Tax	0	0	0	
Transfers from Other Funds	1,200,000	0	0	
Fund Balance	1,800,000	0	0	
	3,000,000	0	0	
<b>Subtotal Special Fund Revenues</b>	<b>169,458,048</b>	<b>192,517,250</b>	<b>203,208,385</b>	<b>5.6%</b>
<b>ENTERPRISE FUND REVENUES:</b>				
Water Division				
Net Sales of Water	37,990,545	36,100,000	35,640,000	-1.3%
Gross Receipts Tax	3,893,724	4,000,000	4,000,000	0.0%
All Other Income	4,005,699	3,703,250	3,053,250	-17.6%
	45,889,968	43,803,250	42,693,250	-2.5%
Lambert St. Louis Airport				
Landing Fees	43,076,000	45,854,000	47,395,000	3.4%
Rents	33,579,413	40,607,000	42,315,000	4.2%
Utilities and Charges	1,828,000	1,882,000	1,939,000	3.0%
Concessions	26,150,000	25,212,000	27,778,000	10.2%
Interest	8,170,000	6,947,000	7,636,000	9.9%
Parking and Miscellaneous	15,770,000	9,357,000	12,840,000	37.2%

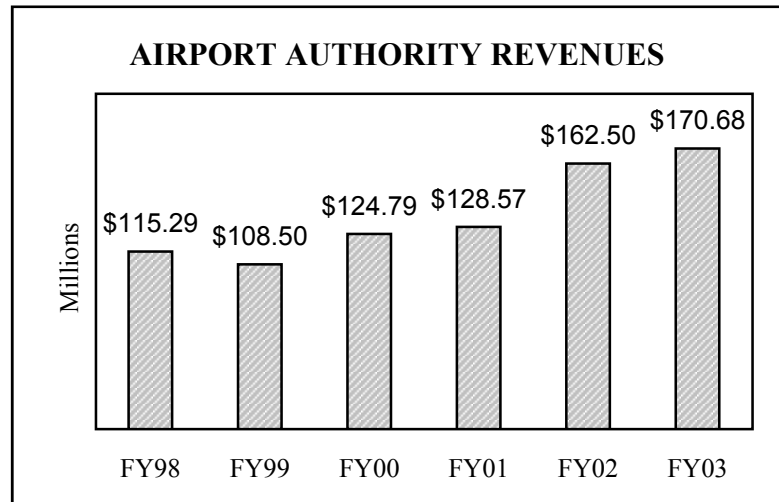
**CITY OF ST. LOUIS**  
**SPECIAL AND OTHER FUNDS REVENUE ESTIMATE**

<b>Revenue Category</b>	<b>Actual Receipts FY01</b>	<b>Revised Estimate FY02</b>	<b>Projected Receipts FY03</b>	<b>Percent Change</b>
Pledged PFC Revenues	0	14,735,744	18,766,310	
LOI Grant Receipts	0	17,910,000	12,006,000	-33.0%
	128,573,413	162,504,744	170,675,310	5.0%
<b>Subtotal Enterprise Funds</b>	<b>174,463,381</b>	<b>206,307,994</b>	<b>213,368,560</b>	<b>3.4%</b>
<b>Total Special and Enterprise Revenues</b>	<b>\$343,921,429</b>	<b>\$398,825,244</b>	<b>\$416,576,945</b>	<b>4.5%</b>
<b>Revenues Appropriated Separately:</b>				
Street Improvement Fund				
Motor Vehicle Sales Tax	905,280	956,000	794,000	-16.9%
Franchise (Utility) Taxes	3,499,425	4,194,000	3,360,000	-19.9%
	4,404,705	5,150,000	4,154,000	-19.3%
Community Dev. Block Grants / Housing Grants (excluding admin. listed above)	97,287,351	30,486,000	30,857,000	1.2%
Parking Division				
Meter Division Revenues	7,012,763	6,000,000	5,900,000	-1.7%
Parking Facility Revenues	6,436,942	4,825,000	4,900,000	1.6%
	13,449,705	10,825,000	10,800,000	-0.2%
Transportation Funds				
Transportation 1/2 Cent Sales Tax	18,137,879	17,702,000	20,185,476	14.0%
MetroLink 1/4 Cent Sales Tax	9,263,679	8,851,000	10,834,818	22.4%
	27,401,558	26,553,000	31,020,294	16.8%
<b>Total All Special and Other Fund Revenues</b>	<b>\$486,464,748</b>	<b>\$471,839,244</b>	<b>\$493,408,239</b>	<b>4.6%</b>

## AIRPORT AUTHORITY (Lambert-St. Louis International Airport)

### Definition

Airport revenue comes from Signatory Airline Fees, Concession Revenues, Interest Income and other revenues.



### Discussion

Lambert - St. Louis International Airport receives just over half of its operating revenues from signatory airlines in the form of landing fees and terminal rents. Signatory airlines are those airlines serving the Airport who have signed use agreements and include: American, Continental, Delta, Northwest, USAir, Southwest, Trans States and United. The Airport also receives revenues from concessions that operate on Airport property. Concession fees include revenues from the following activities: food & beverage sales, giftshops, coin devices, ground transportation, public parking, car rentals, space rental, in-flight catering and other concession revenues. Other revenues include non-signatory airline fees, cargo, hangar, tenant improvement surcharges, employee lot, gain on sale of investments and other miscellaneous revenues. FY03 revenues include nearly \$19 million in projected receipts from passenger facility charges pledged to payment on the Airport expansion.

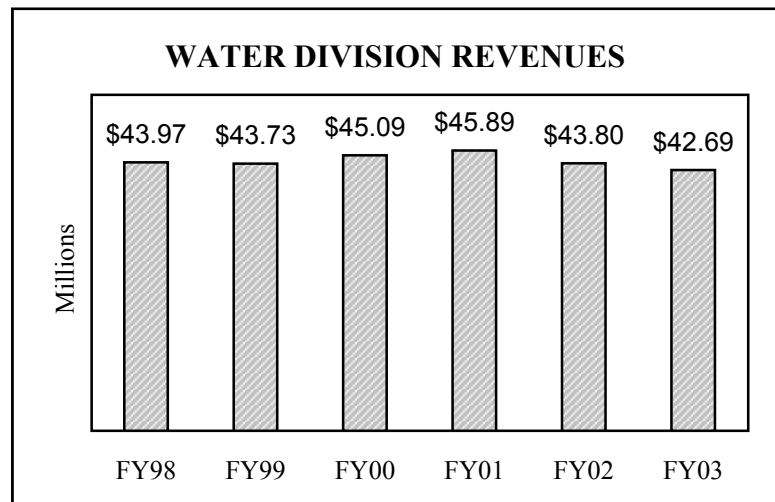
## WATER DIVISION

### Definition

The Water Division receives revenues from Net Sales of Water, Gross Receipts Tax and other miscellaneous income.

### Discussion

Revenues from net sales of Water include sales to flat-rate and metered customers and sales to other governmental jurisdictions. While the number of metered and unmetered customers has decreased slightly the sales to other governmental jurisdictions has more than compensated for the decrease. The Gross Receipts Tax is a 10% utility tax levied on all purchasers of water from the Water Division and payable to the City's General Fund. The other miscellaneous income is mostly revenue from services the Water Division performs, such as repairing damaged fire hydrants or tapping water lines for new buildings.

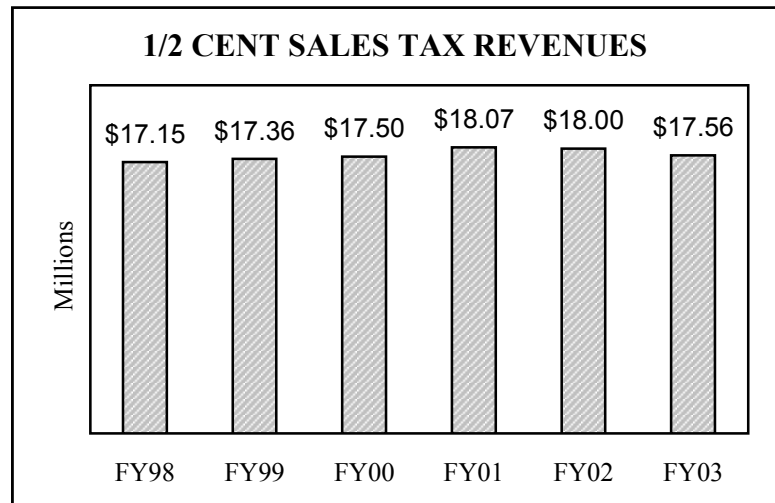




## 1/2 CENT CAPITAL SALES TAX

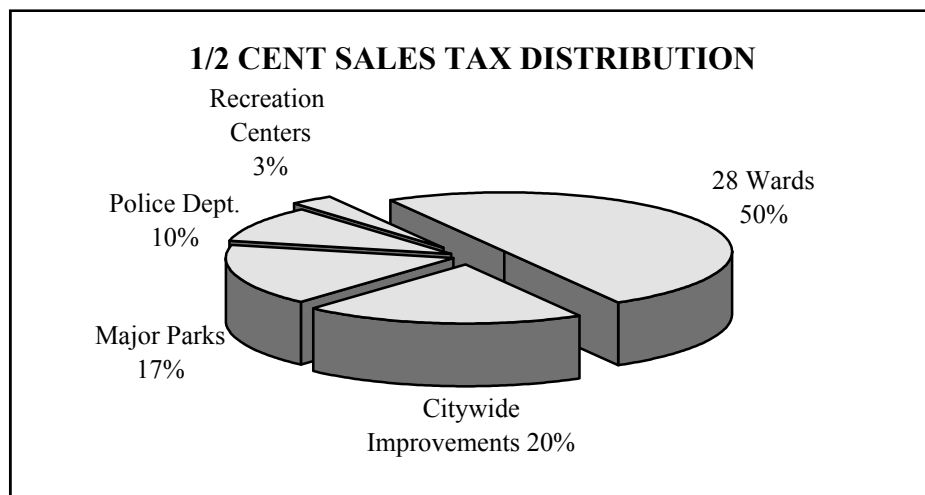
### Definition

A one half percent tax levied on retail sales in the City of St. Louis is dedicated to Capital expenditures. The sales tax is not levied on certain items, including motor fuels, prescription drugs, food purchased with food stamps, all sales by or to not for profit organizations and residential utility charges.



### Discussion

City voters approved the 1/2 cent sales tax for capital improvements in August, 1993. Projected revenue for FY02 is projected to total \$18.75 million. The City ordinance authorizing the 1/2 cent sales tax included a formula for allocating the proceeds among various capital spending areas. This allocation is illustrated in the pie chart below:



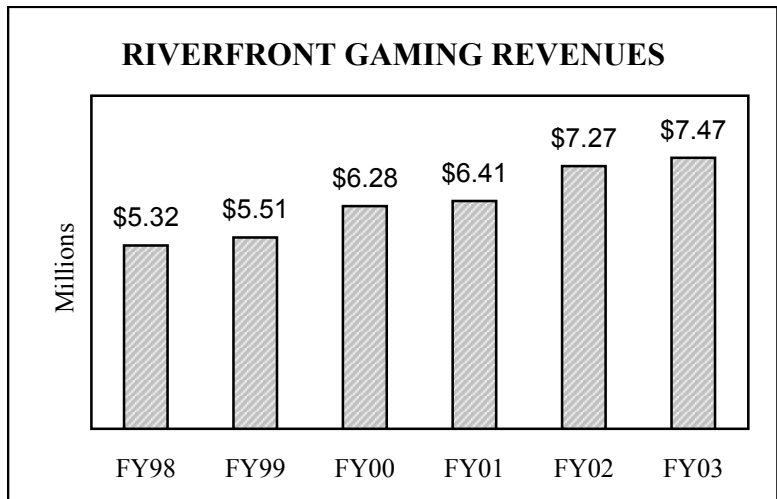
## RIVERFRONT GAMING

### Definition

Riverfront Gaming revenues come primarily from three sources:

1) the local share of the state gaming tax, 2) the local share of the state admissions tax, and 3) the lease agreement with the City Port Authority

### Discussion



Riverboat gaming on the St. Louis riverfront began in May, 1994 with the opening of President Casino's Admiral riverboat. The variety of games was somewhat limited until "games of chance" (e.g. slot machines) were permitted by law beginning in December, 1995. The State of Missouri imposes a 20% tax on the adjusted gross receipts (AGR) of riverboat gambling facilities as well as a \$2 head tax on the number of admissions. By state statute, the City receives a 10% share of the state tax or 2% of AGR. The City is also entitled to one-half the state admission fee or \$1 per admission. The City receives an additional 2% of AGR through a lease the between the riverboat operator and the City's Port Authority.

Two recent developments have had a positive impact on the level of gaming revenues. During FY00, the Missouri Gaming Commission approved open boarding, which led to an increase in the number of visitors patronizing the Admiral. Subsequently the Admiral was relocated from its original docking point across from the Arch to a new location at Laclede's Landing. The new site is better situated for parking and offers greater protection from rising river waters. Gaming revenues are now \$1 million a year higher than they were in FY00.

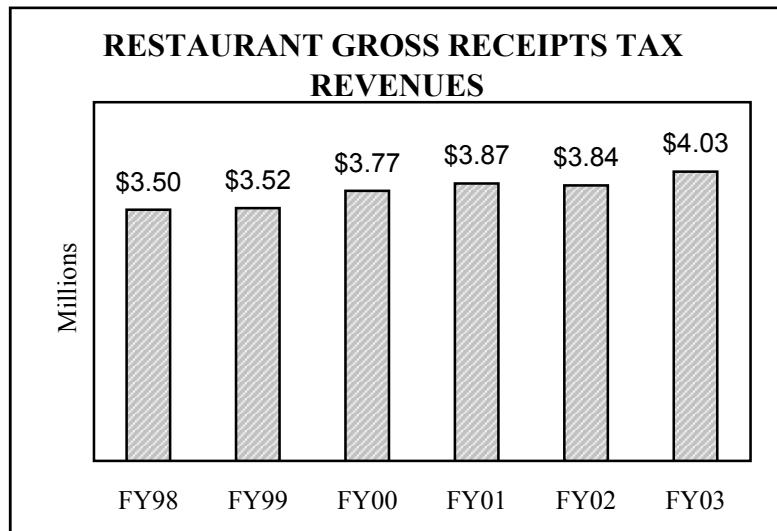
## RESTAURANT GROSS RECEIPTS TAX

### Definition

A 1% tax levied on the gross receipts of restaurants, excluding the sale of alcoholic beverages.

### Discussion

The 1% restaurant gross receipts tax serves as the source of revenue to the City's Convention and Tourism Fund. The fund was established to foster and promote the City's convention and tourism industry. Revenues from this source are used to offset debt service payments on the Cervantes Convention Center.

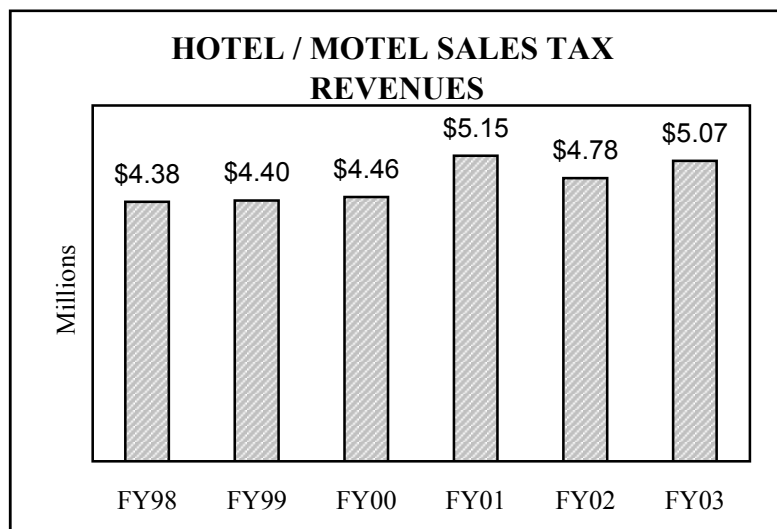


## HOTEL / MOTEL SALES TAX

### Definition

A 3.5% tax levied on the price of a hotel room.

### Discussion



Beginning in FY94, the City's \$2.00 license fee per occupied hotel room was replaced by a 3.5% sales tax on hotel and motel receipts. The change in structure has allowed this source of revenue to grow with inflationary increases in the cost of a hotel room. Proceeds from this tax are deposited into a Convention and Sports facility trust fund and are used to offset debt payments on the City's convention center.